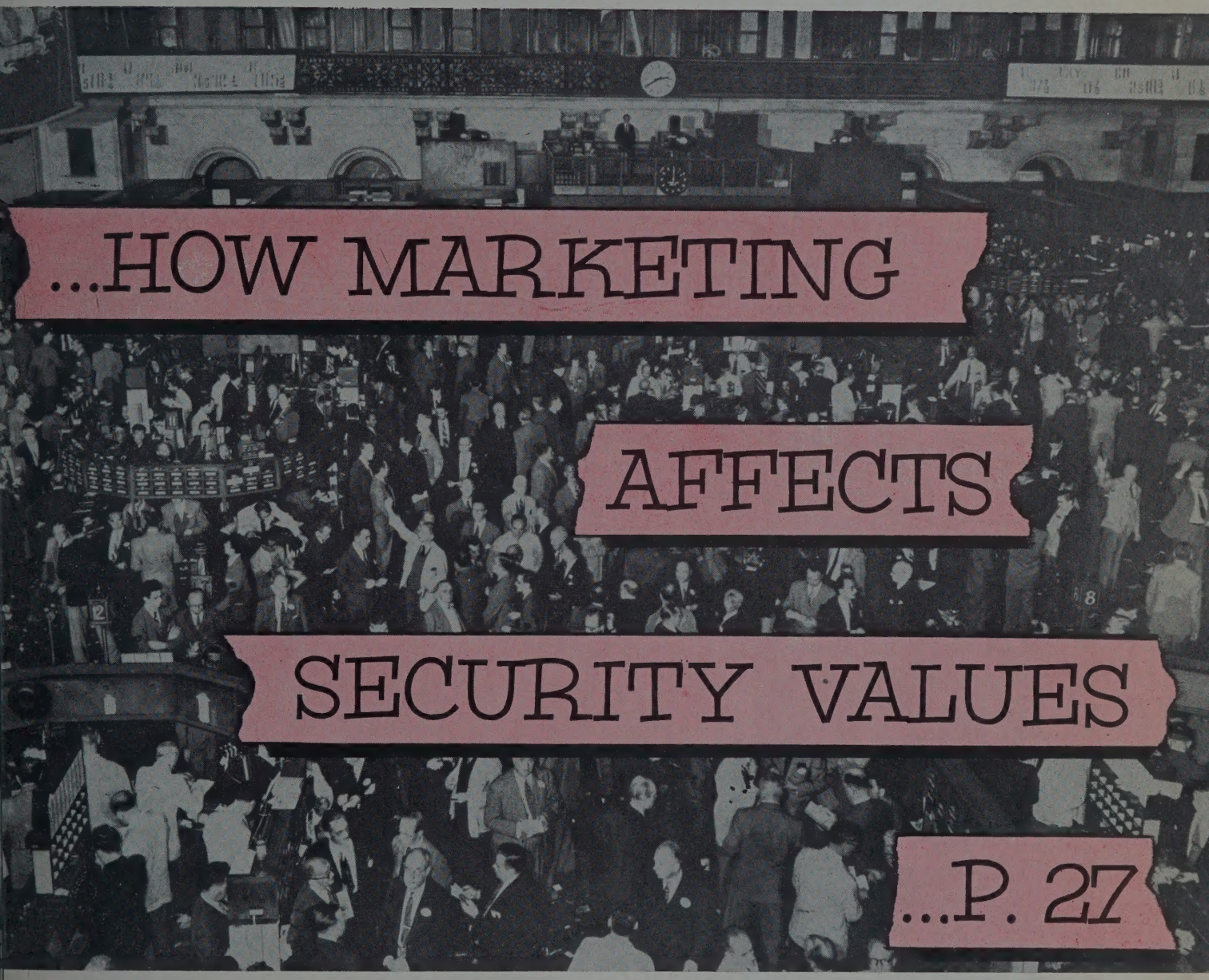
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Tide

FEBRUARY 25, 1956 • 50¢



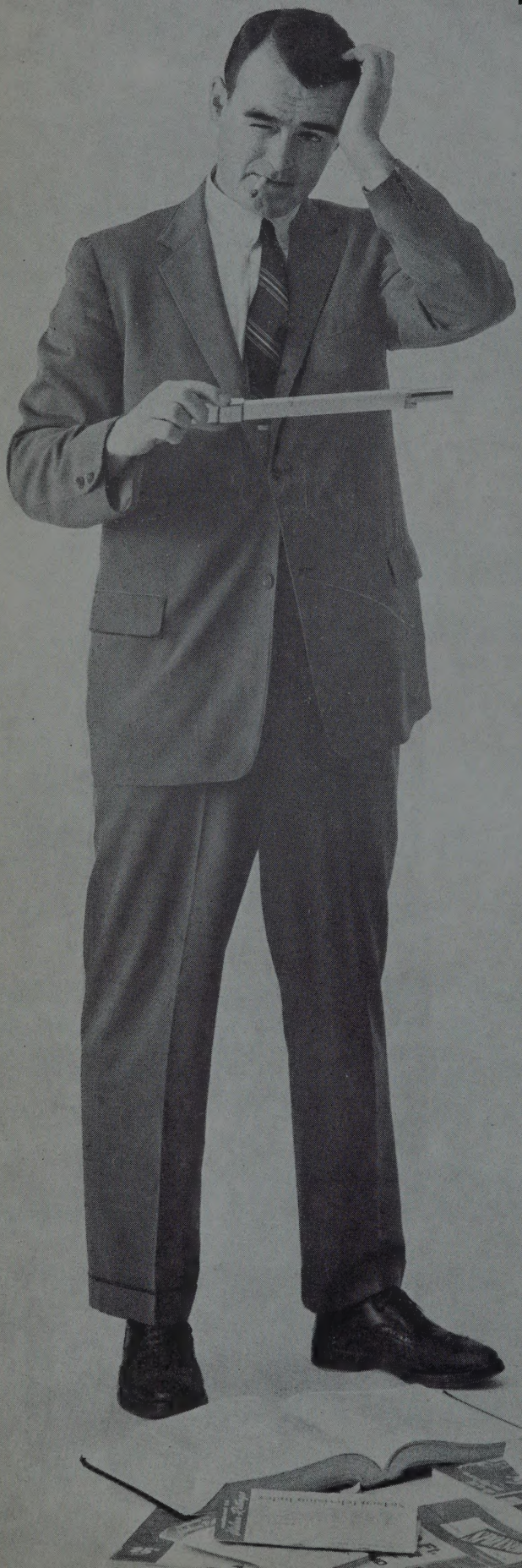
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What effect does business optimism have on sales? . . . . . p. 35

OHI: new boom for manufacturers . . . . . p. 39

No matter how you figure it...

Famous Film Festival is TV's best participation buy!



Marshal the facts . . . study the figures . . . total the costs. You'll agree that ABC-TV's Sunday-night Famous Film Festival is the finest participation buy of all.

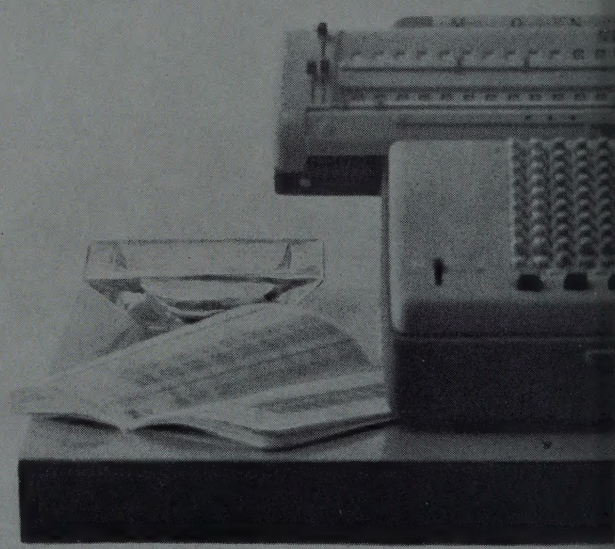
What TV show consistently gives you top stars like *Deborah Kerr, James Mason, Jean Simmons, Stewart Granger*? Which show always offers smash films like *The Lavender Hill Mob, Odd Man Out, The Red Shoes?*

What participation show outrates* all others? What participation show has a cost per thousand viewers per commercial minute of $1.25? What participation show owns the prime Sunday-night time slot 7:30 to 9 EST?

The answer to all these questions is ABC-TV's Famous Film Festival. Very likely, it's just the answer you're looking for.

*Nielsen Dec. I & II, Jan. I

ABC Television Network



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How do marketers choose their advertising agencies?

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Copyright 1956 by The Billboard Publishing Co.

The Year Advertising Helped

IN 1954 we had a business recession in the United States. Sales fell about 4% during the year. If management had followed the historic pattern of business ups and downs, advertising volume would have fallen much further.

But in 1954 the volume of advertising did not fall. It increased over 5%. Every effort was made to stimulate sales when sales were needed to sustain prosperity.

This was something entirely new under the sun. It had a powerful influence in making the recession of 1953-54 one of the mildest on record. It helped greatly to speed business on to the record-breaking levels it has attained today.

There are several reasons why America's business management attacked this decline in sales with more advertising. One of them grew out of the greatly strengthened position of the American consuming market. Consumers' income after taxes has been rising an average of over $10 billion a year since 1946, and this rising income is more widely distributed than ever before. Furthermore, consumers have piled up reserves of about $215 billion in cash or its equivalent. These reserves offer a new and powerful inducement to increased selling and advertising effort even in the face of a possible decline in consumer income.

Taking the Longer View

However, the principal reason why a sales decline was attacked with increased advertising is management's new-found conviction that good advertising is essentially an investment in the development of a market. Successful development requires sustained investment. The inclination of business management to take this longer view, is, of course, motivated by the fact that the American market, with over 3 million consumers being added annually, is growing at a prodigious rate.

Ten years ago only a handful of companies had plans for investment in new producing facilities extending beyond the current year. Today almost all leading companies have investment programs running some years ahead. And keeping pace with these long-range business investment plans has been the development of sales and advertising programs to

McGraw-Hill
PUBLISHING COMPANY, INC.
330 West 42nd Street, New York 36, N. Y.
ABP ABC
HEADQUARTERS FOR BUSINESS INFORMATION

footnotes*

*A new vitality for magazines

This week the third National Editor-Educator Conference, sponsored by the Magazine Publishers' Assn. and the National Education Assn., was held in New York. The conferences began three years ago as part of a long overdue public relations campaign for national magazines.

The significance of these conferences (aside from the obvious advantages of being an opportunity for magazine editors and educators to compare notes) is that the magazines at last have a forum from which they may discuss their great educational value to a very vocal group, educators, and to the public at large. It is a forum they have needed desperately for a great many years.

This year the magazine industry can be especially proud of the job it's doing and we hope it won't hesitate to talk about such contributions to public information and current history as Look Magazine's article on the Emmett Till case, Life's remarkable and controversial "brink of war" piece, Satevepost's report by Gen. Matthew Ridgway, and many others. Such articles indicate to us a new awareness among magazines of their responsibility to the public and their role in American life, an awareness which might be said to have been considerably dulled during most of the postwar years.

This is the stuff that will keep magazines alive, alert and prosperous and this is the stuff that will make the public and perhaps even government more acutely conscious of magazines' contribution to society. Not the least important, this kind of new vitality will make magazines much more important to advertisers than any amount of subscription gain, newsstand sales or slick promotion ever can.

We wish the magazine publishers every success in their whole public relations effort. The only thing that could cause failure would be a flagging of interest in the campaign among the publishers themselves.

It will never meet with indifference from the public as long as the magazines produce the kind of editorial they are.

*TV needs PR, too

The magazines may have been tardy in deciding on a public relations campaign, but they are in it now and the signs are they are doing a good job. What about other media?

Individual segments of the television business do a good job, to be sure, especially a couple of the networks. But certainly no medium as a whole suffers as much criticism or as much satire as television. Some of it is deserved, certainly, but a great deal of television programing makes a real contribution to U.S. culture. Not long ago some 30,000,000 people watched Noel Coward's Blithe Spirit on television—far more than had either read or seen it since Coward wrote it years ago.

The same thing is true of Peter Pan, of Nightmare in Red, Assignment in India, King Lear or The Devil's Disciple, to name just a handful. Yet the criticism and the carping about the medium as a whole continue without any sign of stopping. The magazines are learning that their entire industry need not suffer because of a few renegades who publish trash. It is time that the television industry learns that it need not suffer as a whole, because of some bad programing, some lack of taste in commercials.

It is a great educational and cultural force. It may be true that television isn't fulfilling its full potential along those lines as yet, but it is doing well enough to let the public know about it.

Morgan Browne



MARKETING FORECAST

FEBRUARY 16, 1956

What's Behind Auto Turmoil:

Detroit is in more of a turmoil now than it was during the Congressional hearing on automobile dealer franschises.

The major cause is new car sales, down about 15% from a year ago this time. Auto makers have already cut production about 18% under a year ago, are worried that more cuts may be in prospect if sales don't turn upward.

Auto men are both confident and worried. Most claim that the spring season will pull the industry out of its doldrums. Others agree, but add that if this doesn't happen, there'll be a real problem when 1957 models are introduced: **a glut of 1956 models backed up in dealer inventories.**

The bright light in the sales picture, however, is used cars. Sales of used cars are up considerably, taking some of the burden off new car dealers.

Another cause of turmoil in Detroit is General Motors' new concessions to dealers. The three major changes (among many) in the franchise agreement are these: the factory will take over both building and stock in case of a franchise cancellation; an impartial judge will have the final say in GM's dealer appeals board hearings; the number of GM dealers will be frozen for an indefinite period.

While these concessions don't affect the two basic dealer complaints (franchise cancellation in 90 days without cause and factory "pressure"), they eliminate much factory-dealer disharmony. **Other auto manufacturers are studying the GM announcement closely, are expected to make similar concessions soon.**

The Sales Boom in Portable TV Sets:

The leisure market is evidently proving a fertile field for portable television sets.

GE broke into the market last May with a 14-inch portable in a 32-lb. cabinet. Three models were offered, two at about $100 and one at about $120, sold (according to a GE spokesman) some 200,000 sets the first six months, **are now selling "as fast as we can make them."** GE also markets another 14-inch portable TV set in a 25-lb. multi-colored aluminum cabinet at about $130.

RCA is now getting into the act, has announced an eight-inch tube suitable for portable sets. RCA will probably include the new tube in a portable set of its own, meanwhile will sell it (along with components) to other TV set makers interested in marketing portable units.

With warm weather rolling around soon in many parts of the country, you can expect an even bigger boost in portable TV set sales.

A Look at Canned Foods Buying Habits:

In about a month, you can expect the first report on the first phase of a vast three-year marketing research program to test consumer preferences and buying habits involving canned foods (Tide—April 9, 1955).

The Philadelphia Project, a marketing study of the National Canners' Assn. con-

ducted by Dudley-Anderson-Yutzy using Acme supermarkets as a laboratory, studies canned food by unit, brand and product groups, will measure canned food sales 1) against sales in other supermarket departments; 2) against sales per visible foot of display space of other products; 3) against traffic; 4) against total grocery sales, and 5) against average dollar sales per customer.

Reason for the test is to turn up information about merchandising, handling and management of canned foods in order to encourage retailers to exploit them to their best advantage. The first phase of the study covers canned vegetables, is now completed, should be released early next month.

As a supplement to the main test, Dudley-Anderson-Yutzy researcher E. Kendall Ellrich is currently conducting an eight-store multi-pack test to determine consumer preferences toward three-, four-, and six-packs. The tests last eight weeks each, will cover evaporated milk, applesauce, cranberry sauce and tuna fish after current tests on corn are completed. Testing is conducted in a different store each week and on eight different multi-pack arangements to eliminate all possible variables.

Other supplementary tests will involve vertical stocking, lighting and displays and their effect on canned food sales. More on this later.

What's Ahead for Aluminum Foil:

There's a full-scale battle brewing in the household aluminum foil market.

Aluminum Co. of America introduced Wear-Ever in 1931 as sheets of Aluminum foil, switched it to rolls in 1933. But when Reynolds Metals Co. came out with Reynolds Wrap in 1947, it quickly took over the market and has dominated it ever since.

Now Alcoa is ready with an improved product, called Alcoa Wrap, which replaces Wear-Ever. Another big reason for the change is an effort to get the Alcoa name and symbol on grocers' shelves and into the housewife's lexicon.

Alcoa Wrap will be sheathed in a laminated foil package with a metal cutting edge (Wear-Ever foil had a cardboard cutting edge). Alcoa's Wear-Ever subsidiary will continue to market the new product.

Crowell-Collier Plans New Record Club:

Crowell-Collier Publishing Co. is the latest to join the record club trend.

The company will have at least two clubs (for different type music) set up and ready to go by late September or October, says publisher Paul Smith. Smith feels the club will be a natural for the company, with its mail order facilities.

When Smith took over at C-C January, 1954, he emphasized that the organization wasn't solely a publishing house in the magazine business, but that it would concentrate on all communications. The record club will be the first big activity of the newly formed Radio, Record & TV Division, which is headed by former publisher of Woman's Home Companion, William A. H. Birnie. Record club head is William Fowler, former executive vice-president of Capitol Records.

Smith says the company is currently investigating possibilities of either acquiring an existing record club or setting up its own. The company might do either one, or both. Record clubs already in existence include Columbia's (Tide—Sept. 10, 1955) and RCA's.

WASHINGTON FORECAST

THE MANUFACTURER OF THE FUTURE MAY BE ABLE TO locate anywhere without regard to freight distance worries. John R. Pogue, cargo sales manager of Delta Airlines, says that future air freighting including "unmanned rockets and parachutes" will put today's air cargo operations in the Model-T category. Says Pogue: "It is conceivable that a consignee will be receiving cargo on his own roof."

AT&T WILL BE UNDER DOUBLE FIRE, IN TELEPHONE AND TV operations. Sen. Warren A. Magnuson (Dem., Wash.) has advised FCC to review "too high" AT&T cable rates for getting TV into the hills. On the phone front, the Communications Workers has appointed a five-member committee to compile research on the private-vs.-public ownership question, already six months under way. James A. Beirne, president of the AFL-CIO group, prefers private ownership but feels "highly satisfactory" public ownership in other countries should be considered.

RADIO ADVERTISING WILL GET STERNER APPRAISAL FROM both Federal Trade and Communications Commissions. Sen. Warren A. Magnuson (Dem., Wash.) has asked both groups to look into the "fantastic, false and fraudulent" ad offers "bilking" the radio public. FTC is to study ads at the source, while FCC is to rein in on license renewals for blatant offenders—if it can find time to monitor some 3,000 stations for the purpose.

FARMERS ARE BECOMING JOINERS ON AN INCREASING SCALE. The Agriculture Department's Farmer Co-Operative Service reports farm association membership jumped 100,000 in 1954, bringing membership total to 7,600,000, as three out of five farmers joined several co-operatives in marketing, farm supply and service fields. With the total number of farmers decreasing and association membership rising, a stronger agricultural pressure arm can be expected.

THE OLD ARMY SURPLUS STORE MAY SOON GO THE WAY OF the dodo. The Army announces it has called in eight retail sales experts to figure more profitable merchandising for its $2.3 billion in surplus property for fiscal 1956. Crack merchandisers from Sears, Roebuck & Co., J. C. Penney, Safeway Stores and May Department Stores will help, among others.

HELICOPTERS MAY BE A LONG WHILE HITTING THE GLOSSY goal of civilian use predicted for them. Dr. T. F. Walkowicz, consultant to a government-appointed aviation study group, says there is a question as to when the vertical risers will "be ready to provide safe transportation at reasonable cost"—although the cost will drop substantially by 1960. If helicopter demand should develop for short-range transportation, present radar air-traffic systems would have to have a supplementary network to handle low-flying whirlybirds.

FAIR TRADE MAY FINALLY GET THE AX FROM CONGRESS this session. The House Judiciary Committee is studying the Roosevelt (Dem., Calif.) bill to free retailers from pricing restraints. The Small Business Committee is working on a fair trade questionnaire sent out to retailers across the country by its Subcommittee on Retailing, Distribution & Fair Trade Practices. ■

Tide

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6000 Sunset Boulevard
Los Angeles 28, Calif.
HOllywood 9-5831

CIRCULATION
2160 Patterson Street
Cincinnati 22, Ohio

Advertising goe

When, for seven consecutive years, one business-management magazine carries more total pages of advertising than any other general-consumer, general-business, or news magazine . . .

. . . you might almost suspect that this is where you vertise when you want to influence management men.

HERE IS THE RECORD OF TOTAL ADVERTISING PAGES 19

THE TOP 10 MAGAZINES IN AMER

TOTAL ADVERTISING

BUSINESS WEEK	5,6
NEW YORKER	4,
LIFE	4,
SATURDAY EVENING POST	3,
TIME	3,
U. S. NEWS & WORLD REPORT	3,
NEWSWEEK	2,
VOGUE	1,
POPULAR MECHANICS	1,
FORTUNE	1,

This record of advertising achievement is the result of Business Week's ability to deliver your advertising to the men who initiate, specify and approve buying action . . . management men. And, Business Week reaches a higher concentration of management men—at lower cost—than any other magazine in its field.

Business Week A McGRAW-HILL PUBLICATI

MEMBER—AUDIT BUREAU OF CIRCULATIONS

*Source: Publishers Information Bureau (excludes trade, technical and industrial publications).


BUSINESS WEEK
where advertising pays

FACES of the fortnight

Chrysler's Forbes sees need for emphasis on marketing

Richard E. Forbes, Chrysler Corporation's newly appointed advertising & sales promotion director on the central sales staff, joined the auto industry's number three company at an opportune time. Forbes takes over direction of Chrysler's sales promotion and advertising at a time when the company's sales are at an all-time high (1955 sales: $3.446 billion, up 67.3% over 1954).

Personable, fluent, 40-year-old Forbes believes that while the general trend of business activity is upward, "all businesses are going to have to put more emphasis on marketing if they are to achieve the potential that forecasts indicate," adds that advertising will play a more important role in marketing in the future than it has in the past.

Forbes' job is a newly created one (reporting to sales vice-president Charles Jacobson) and indicates, says Chrysler, more intensification and concentration on advertising & sales promotion. Besides supervision of all Chrysler's central staff ad & sales promotion activities, Forbes will also coordinate the ad & sales promotion programs of all Chrysler's divisional staffs.

A former ad manager of General Electric's Household Refrigeration Dept. and later a consultant on advertising to GE's Advertising & Promotion Services Dept., Forbes is outspoken in his dislike of the aura that advertising has put on a selective few called creators. "Creative people are just the same as everybody else," says he. "The idea that it takes a certain type of person to be creative is bunk."



Chrysler's Richard E. Forbes: a bigger role for advertising



Pabst Brewing Company's Maurice Atkinson: a fascinating industry.

Pabst's Atkinson: selling beer is different today

Until a few years ago, beer marketing was little more than a question of how much barrelage you could produce. Selling was rudimentary; salesmen went into a bar or liquor store and said, "Look, we have beer for sale, how much do you need?" Today, new markets, new distribution systems, new selling techniques and new package designs have to be developed. Each region where beer is sold presents entirely different problems of legislation, personal living and buying habits. That's what makes the beer industry so fascinating.

So says tall, wavy-haired, 41-year-old Maurice Atkinson, a marketer who has spent most of his career in the beer industry. Former director of beer merchandising of Einson-Freeman Co. and a merchandising consultant to the National Beer Wholesalers Assn., Atkinson last month moved into a key job in a major beer company: director of sales development of Pabst Brewing Co.

Atkinson's job at Pabst will be threefold: to procure sales personnel, to evaluate (and serve as a counsel to) the entire Pabst sales organization, and to develop specialized regional training

(Continued on page 24)

4 MORE GUILD BEST-SELLERS



I SPY



Distinguished actor, RAYMOND MASSEY, presents true and exciting stories behind history's most famous spies. 39 half-hour . . . mystery, intrigue, adventure. Sponsored in over 60 markets

CONFIDENTIAL FILE





Paul Coates' behind-the-scenes report on America . . . with penetrating closeups of its people and problems. A new and exciting concept in dramatized journalism. The ½-hour show all America is talking about . . . winning fabulous ratings in over 100 markets.

15 minutes with FRANKIE LAINE and Connie Haines





All the 'star' entertainment quality of a ½-hour show packed into 15 fast-moving minutes. Ideal choice for small advertisers who want the impact of a ½-hour show on a 15-minute budget. Top-rated show in its time-slot over WCBS-TV, N Y.

the LIBERACE show





Television's most widely acclaimed musical series for the third consecutive year. Still a few choice availabilities, and you're in luck if one of them happens to be in your market!

GUILD FILMS COMPANY INC

460 PARK AVENUE • NY 22, N Y
MURRAY HILL 8-5365
IN CANADA: S. W. CALDWELL, LTD.

for AUDIENCE IMPACT... SALESMANSHIP...
and TOP PRODUCT IDENTIFICATION
you can't beat...

MOLLY



starring
GERTRUDE BERG
and the famous
GOLDBERG FAMILY

39 NEW half-hour shows

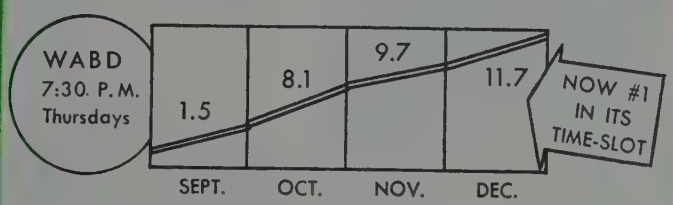
- **NEW STORY LINE** . . . warmer and more entertaining than ever before.
- **NEW SETTINGS** . . . Molly's new home in the heart of Suburban America.
- **NEW SITUATIONS** . . . with Molly making friends with all her new small town neighbors.



EVERYBODY LOVES MOLLY

. . . and now that same warm affection can be carried over to *your* product when you sponsor this great family show. The simple and endearing personality that is MOLLY surrounds your sales messages with the kind of sincere impact that can't be duplicated by any other program . . . of any type. Now, after twenty-five years of national sponsorship, the show has a brand-new title and a bright new format. It's ready to go to work for your product immediately in *just the markets you choose* . . . but you'll have to act fast, before the cities you want are gone! Write, wire or phone today for audition reel and prices.

CHECK THESE SKYROCKETING NEW YORK A. R. B. RATINGS:



"QUITE A SALESGIRL, THIS MOLLY..."

. . . Says Peck Advertising Agency, speaking for its client, Old Dutch Coffee, which reports enthusiastic reaction from all its dealers since it began sponsoring this program last October. Incidentally, ratings for MOLLY's time-slot, which were 1.5 before the show's debut, have now climbed to 11.7 . . . bringing the show's cost-per-thousand down to only $2.67 per commercial minute.

GUILD FILMS COMPANY, INC.

460 PARK AVENUE · NEW YORK 22, NEW YORK · MUrray Hill 8-5365
IN CANADA: S. W. CALDWELL, LTD.

How Alcoa uses businesspapers to sell product advantages



OBJECTIVES: To increase sales for Alcoa, its distributors and sign-manufacturing customers by educating highway officials on the advantages of Alcoa Aluminum for signs and markers.

SCHEDULE: Two-color spreads in four business publications.

RESULTS: "It had taken 10 years to sell 18 states on aluminum as the standard metal for highway signs. This campaign was a contributing factor in adding six additional states and innumerable cities, counties and townships within the short span of 12 months."

AGENCY: Fuller & Smith & Ross Inc.

building better businesspapers... better businesspaper advertising

THE ASSOCIATED BUSINESS PUBLICATIONS
Founded 1906 • 205 East 42nd St., New York 17, N. Y.

(Continued from page 22)

programs for Pabst sales supervisors, branch salesmen and distributor salesmen. Atkinson likes the last phase of his job best, since, he says, "in this area lies the success of beer sales." His major goal, he explains, is "to motivate our supervisory personnel to do a better job of evaluation and training with the salesman." Pabst has 325 direct salesmen, its distributors have 900 more; these men have to be merchandising men, says Atkinson, since they now call on grocers as well as taverns and liquor stores.

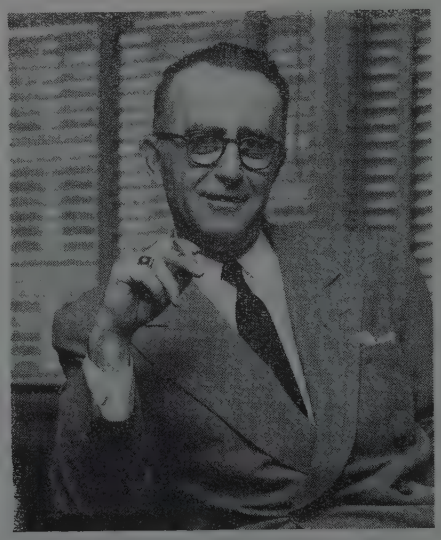
Philip Morris gets a new sales manager

Philip Morris, Inc., has been making cigaret history of late. It brought out filter-tip Marlboro in the new flip-top box. It introduced "gentleness" to cigaret advertising. It gave its long-time Philip Morris package a new dress.

Supervisor of the field sale force on the two packaging moves was John R. O'Connor, who now is promoted to national sales manager. O'Connor has responsibility for both the sales administration and sales promotion departments.

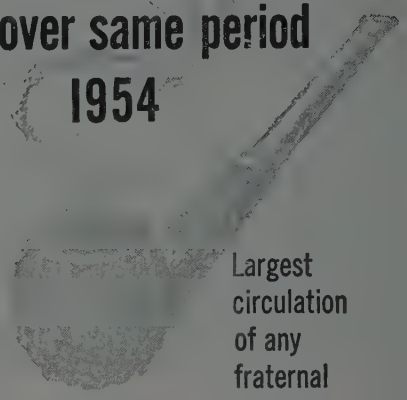
O'Connor, who works closely under sales vice-president Ray Jones, sees a big year for Philip Morris during 1956, with more changes planned for the company. One change will be to switch Parliament and Philip Morris to the flip-top boxes. These moves are currently being tested in parts of the country (**Tide**—February 11). There will be other changes, too, says O'Connor, though PM isn't yet ready to discuss them.

O'Connor, who, say Philip Morris officials, was one of the first to realize



Philip Morris' J. R. O'Connor: There are more changes to come

ADVERTISING LINAGE
UP 16%
last 6 months
of 1955
over same period
1954



Largest circulation of any fraternal magazine!

THE Elks MAGAZINE
New York Chicago
Detroit Los Angeles

this book may jolt you
. . . it destroys many commonly held ideas on the influence of mass media and pinpoints the people who *really* exert influence.

Personal Influence
The part played by people in the flow of mass communications
by Elihu Katz and Paul Lazarsfeld
foreword by Elmo Roper
$6.00

"Most important work . . . Katz and Lazarsfeld have done something unusual and useful . . . new and positive contribution."—Elmo Roper

Money gladly refunded if not satisfied

The FREE PRESS, dep't 1
1005 W. Belmont Ave., Chicago 13, Ill.
Please send ..... copies of "Personal Influence." Enclosed is $6 per copy.
Name _____
Address _____
City _____ State _____

the importance of the vending machine as a marketing outlet, is a success story himself in the Philip Morris organization. He joined the company in 1936 as a salesman, rose steadily to become assistant sales manager (last July) and received his current appointment last month.

Bushnell's plan to double sales this year

The race for market share in the optical and photographic equipment field is going full blast, what with Germany, Japan and U. S. camera-makers all vying for a piece of the consumer dollar. Consequently, the company that wins is the company that moves ahead.

D. P. Bushnell & Co., importer (from Japan) and distributor of several fine Japanese industrial optics, binoculars, range finders, telescopes, microscopes and photographic products is one fast-moving firm that has increased sales 800% in the past five years (it currently has annual sales of $2,000,000).

Early this year Bushnell took another step to speed its growth even more; it created a marketing department and appointed 31-year-old William F. Edwards director of marketing. Planned result: the company looks forward to $5,000,0000 in sales by year's end.

Certainly Bushnell is in an enviable product position. It has already established a reputation with its Bino-Foto lens (photography through binoculars) and extra-fast Fujinon lenses. Consequently, in forming his marketing department, Edwards has a ripe field to reap.

The company has never had a field selling force. Until 1949, sales were made solely through mail order, and it was only by consumer & dealer request that any sort of dealer selling was set up. Today, 95% of sales are through its 4,000 dealers. Edwards hopes to increase the number to 12,000, strengthening distribution in the middle Atlantic states (where it is weakest).

Sales promotion and public relations will also come under Edwards' new department (both are in planning stage). Advertising will be greatly expanded, billing doubled. Until now advertising has been in specialized sporting and photographic magazines. Edwards feels the initial impression has been made with sportsmen, will expand into consumer magazines.

Plans for expansion of the department itself are already under way. Edwards hopes that, with enlargement of the telescopic and microscope lines, two marketing divisions may soon have to be instituted: consumer and institutional (which will cover sales to schools, hospitals, etc.).



HOME OF THE FAMOUS

Hawaiian Room

● Just 3 minutes from New York City's Grand Central Terminal and conveniently near to the Fifth Avenue shopping district, the Lexington is centrally located. Its 801 outside rooms are all equipped with combination tub and shower bath, circulating ice water, full-length mirror, 4-station radio. Television.

"New York's Friendly Hotel"

Hotel Lexington

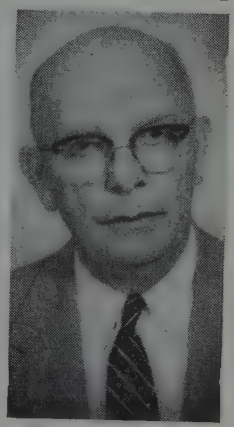
Near the United Nations

LEXINGTON AVE. AT 48th ST., N.Y.C. 17



Fredericksen Named Manufacturing V. P. By Cooper's, Inc.

H. L. Fredericksen, formerly works manager, has been promoted to vice president in charge of manufacturing by Cooper's, Inc., Kenosha, Wisconsin. The company, which operates four manufacturing plants, makes men's and boy's "Jockey" underwear. A fifth plant, costing $750,000, is scheduled for construction early this year.

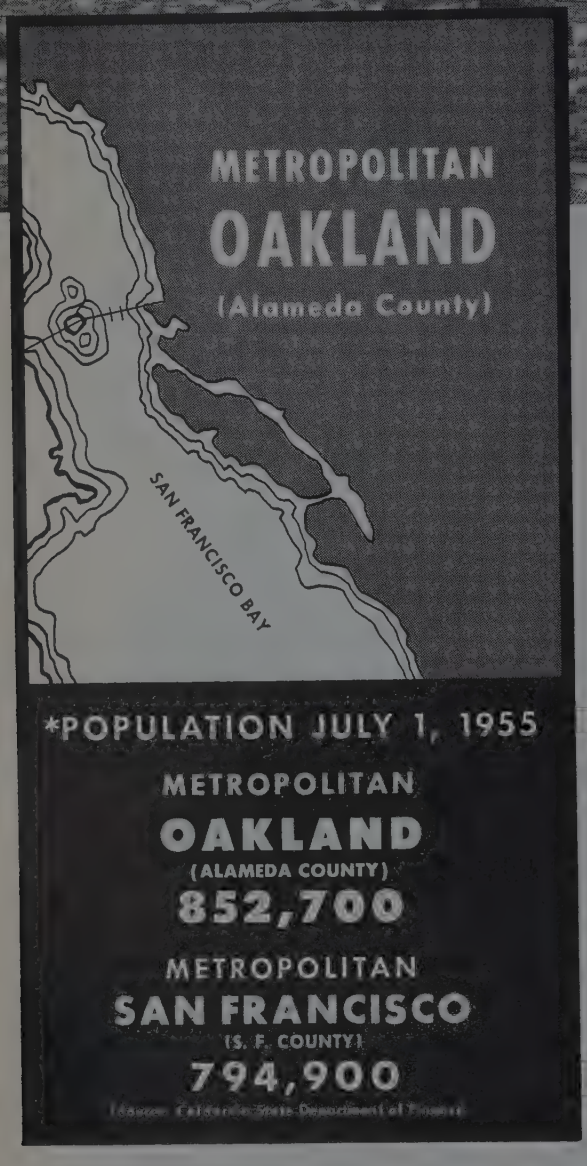


Mr. Fredericksen is a daily reader of The Wall Street Journal. Executives in every state and in every type of business rely on The Journal for the information that helps make them more valuable to their companies. Circulation is 376,426. Total readership is nearly double that figure and growing steadily because of The Journal's increasing importance to readers. Important for *advertisers*, too.

(Advertisement)

Metropolitan OAKLAND





Largest Population Center in Northern California

covered only by the OAKLAND TRIBUNE

METROPOLITAN OAKLAND: (Alameda County), with a population increase of 15% since 1950, **now leads Metropolitan San Francisco** (San Francisco County) by more than 57,000 . . . and this is only the beginning. Here's Why:

- **Strategic mainland location . . . with ample room for expansion (733 square miles).**
- **Transportation hub of the west . . . by rail, truck, sea and air.**
- **Ideal climate for industry and living (Average temperature: Summer 62.3, Winter 50.6).**

Reach the thousands of able-to-buy families in this great and growing market through the newspaper they read.

Greatest home delivered circulation in Northern California!

Oakland Tribune

CIRCULATION (A.B.C.) SEPT. 30, 1955 . . . DAILY, 196,044 SUNDAY, 215,600

CRESMER & WOODWARD, INC., NATIONAL REPRESENTATIVES INCLUDING SUNDAY MAGAZINE SECTION

In determining security values . . .

Wall St. watches marketing policies

- **Marketing is now important to security analysts.**
- **They especially watch advertising, pricing, distribution.**
- **"Growth" is now becoming synonymous with marketing.**

It never takes long for Wall St. to become aware of a trend. And the trend to marketing as a means of sustaining the economy is no exception. Up and down Wall St., security analysts, investment bankers and investors themselves are paying more & more attention to just how companies go about expanding their sales. The result is that the company with well-advertised, well-known products with good distribution is finding it easier to get new capital to finance market expansion and new products development.

➤ **In the well-carpeted offices of Merrill Lynch, Pierce, Fenner & Beane, of E. F. Hutton, of Bache & Co. and many others you can daily hear discussions of advertising, product research, pricing, public relations or some other phase of marketing.** You can also hear them complain that they want to know more about marketing plans and that companies are wary of giving them information.

The best sources available to them, of course, are business papers and annual reports. Stephens L. Joseph, of Bache, cites General Foods as a good example of a company that puts enough marketing information in its annual report to give analysts at least some idea of the firm's plan.

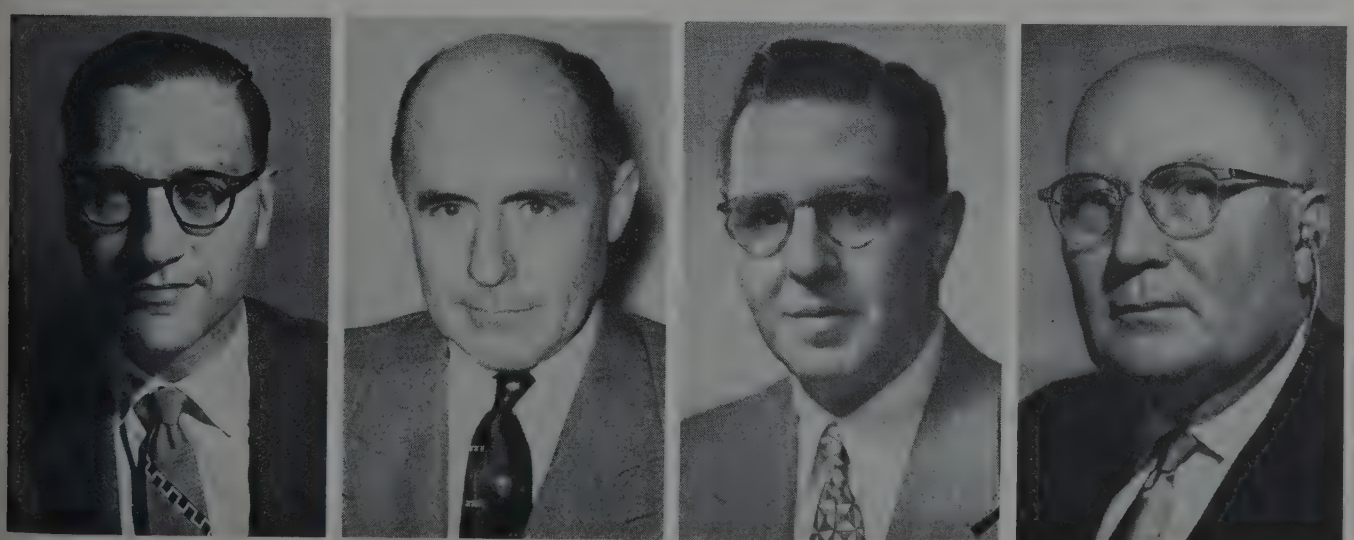
Of course, analysts also keep a keen eye on many financial factors in assessing a company's future earnings potential. They must determine, for example, if a company planning an extensive marketing program (e.g., the introduction of new products) is sound enough in cash reserves to sustain a possible market failure. To the analyst, the importance of any one or combination of marketing factors, depends on the particular situation. For one firm, advertising and merchandising may be the key; for another, it might be product research.

➤ **To many in Wall St., it's obvious that a company with products and policies well known and well regarded by the public will have high status in the financial community.** In short, advertising generates sales, higher earnings, more financial stability.

Gerald M. Loeb of E. F. Hutton & Co., for one, believes a well-advertised company usually has a relatively easy time getting new financing. For example, he cites Revlon, Inc., which last December sold 373,900 common shares in a new offering. "I doubt," says Loeb, "if the sale would have been such a success if it hadn't been for the windfall of the $64,000 Question." Revlon's common stock, incidentally, now sells at about 28, up about eight points from a few months ago.

Similarly, a strong advertising program, thinks Loeb, is a good indication of what a company expects to sell, and consequently is a valuable guide to an analyst (he singles out Chrysler and Studebaker-Packard especially, on this score). Like Loeb, Bache's Stephen Joseph likes to analyze the relationship of advertising to sales on an industry basis, "if I am able to get the figures." Some companies, particularly in the food business, are reluctant to release ad budget figures, so such analysis is frequently difficult.

Analysts take a somewhat different view of companies which make few products sold directly to consumers. In the textile field, for example, an analyst from Merrill Lynch, Pierce, Fen-



Security analysts (l. to r.) Stephen L. Joseph, S. Logan Stirling, Sidney B. Lurie, Gerald M. Loeb

ner & Beane, claims "we can't correlate advertising to sales" because other factors (e.g., merchandising structures) have more importance than advertising in determining sales results. Another Merrill Lynch analyst notes, too, that large industrial firms such as chemical companies often spend vast sums on institutional advertising, but that there is little relation between ad efforts and sales results.

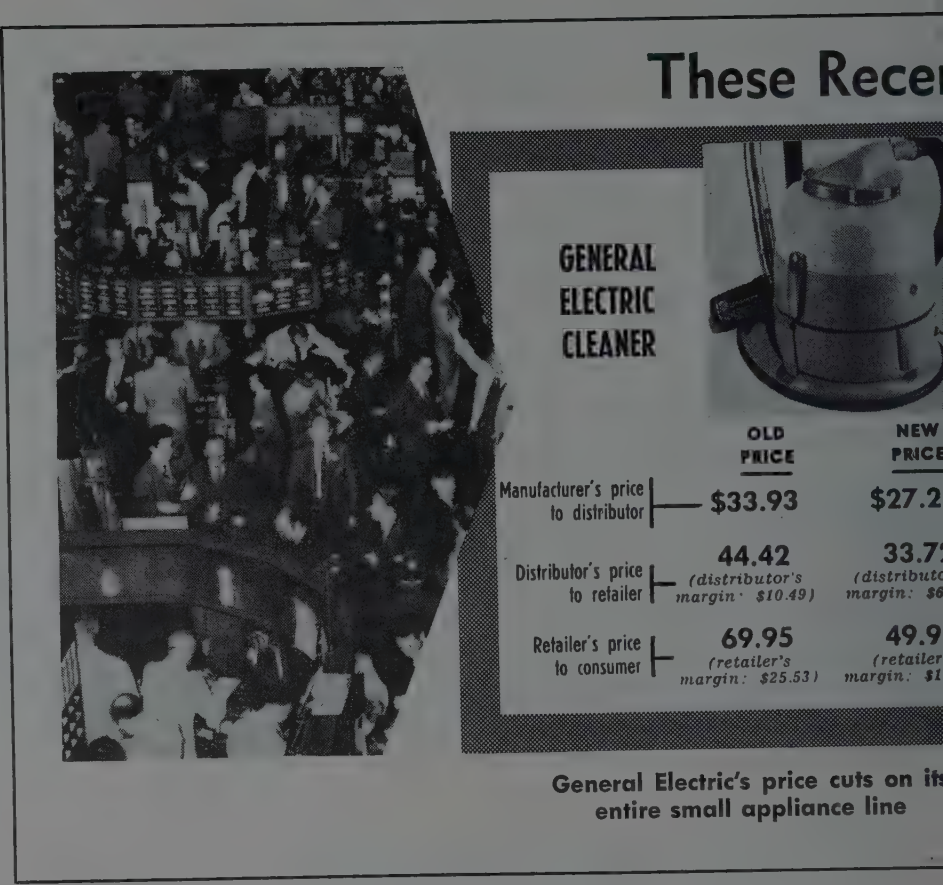
➤ **Unlike advertising, distribution patterns are always a guide in security analysis regardless of whether a company sells directly to consumers or not.** In a recent report on cigaret stocks, Sidney B. Lurie of Josephthal & Co. thoroughly analyzed U.S. consumption patterns and concluded American Tobacco and R. J. Reynolds Tobacco "are particular favorites."

These two companies' competitive market positions are better than most other cigaret companies', says Lurie, because "consumption of American Tobacco's Lucky Strike declined only slightly, whereas the regular-size market as a whole was off 10.9% (in 1955). Moreover, domestic consumption of this company's king-size Pall Mall actually increased 7.7% during the year, whereas the total king-size market declined 1.5%. In the mushrooming filter-tip field, R. J. Reynolds' Winston—which was introduced in March, 1954—now is the leading cigaret. This means, incidentally, that both American Tobacco and Reynolds Tobacco have two each out of the five largest-selling cigaret brands in the nation."

Distribution plays a big part in department store security analysis, too, says Lurie. Analysts watch for indications as to how downtown establishments fare vis-a-vis their suburban branches, and evaluate their stocks accordingly. An analyst has to determine if sales of suburban outlets offset the sales dip in the downtown store.

In other types of business, narrower lines of distribution cut operating costs and help improve net income. For example, to eliminate transporting of bulk packages for products, firms such as American Can Co. and Container Corp. of America, notes Joseph, try to locate new facilities close to plants of producers who must use their wares for packaging.

➤ **Analysts also watch changes in transportation costs which affect a company's distribution costs.** E. F. Hutton's Loeb, for example, thinks proposed higher mail rates might prove such a burden to big publishing companies that their earnings might well be affected. Similarly, Loeb is watching closely the proposed 7% hike in rail rates. Automobile prices, for one, might go up as a result, which Loeb thinks would depress sales. He points out, however, that the Ford Motor Co. has already talked about giving dealers rebates on sales, figures auto makers will very probably absorb the increased distribution costs themselves.



General Electric's price cuts on its entire small appliance line

➤ **In short, when it comes to distribution and consumption patterns, analysts want to know if there's a market for the product, how much of the market the company can and does exploit and how effectively it gets the product to the market.** Similarly, the analysts must be aware of negative factors (e.g., higher transportation rates) and how they may affect future sales and earnings.

Once the product gets to the market, analysts then want to know how effectively companies promote and merchandise their wares, and how closely the react to new product design and packaging trends and the like. In the soft drink industry, for instance, Lurie notes that Coca-Cola found its sales wanning in the home consumption market, to the benefit of such competitors as Pepsi-Cola. The trouble, of course, was that Coca-Cola didn't have a competitor for Pepsi's 12-oz. bottle (Coca-Cola was wedded to the 6-oz. size). Coca-Cola tested three new sizes: a 10-oz. and 12-oz king-size and a 25-oz. family-size (Pepsi has a 26-oz. bottle), and Lurie feels the change is the key to increased sales for Coca-Cola. So, for that matter, does Coca-Cola Co. president William E. Robinson. Last month he told the New York Society of Security Analysts that the market tests begun in February and March last year generated such a great sales increase that "by May [1955] we decided to qualify independent bottlers for participation in the tests of the king and family-size bottles. Now over 40% of our bottlers have introduced one or more of the new sizes, and by the end of 1956 we expect that the number will approximate 85%."

Another example is the textile industry which long practiced "unenlightened merchandising" according to a Merrill Lynch analyst. Now more textile firms are using research to find out what consumers want. A case in point is Burlington Industries, Inc., which watches demand patterns closely and changes its marketing policies accordingly. Such efforts pay off in an industry long known for sharp ups and downs which depress security values.

➤ **Pricing policies also command considerable attention from analysts. A recent Merrill Lynch security and industry survey shows that carpet sales will be helped by increased time payment purchases of carpets and a stepped-up advertising program by the industry.** This kind of promotion activity will benefit companies like Bigelow-Sanford (1955 first half sales up 30%) and James Lees (1955 first half sales up 9.5%).

In hotly competitive businesses, such

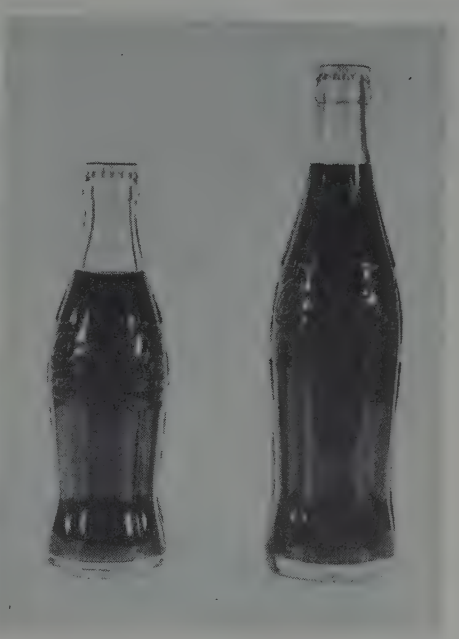
Marketing Moves Impressed Wall Street



ylon's sponsorship of the highly rated net TV program, $64,000 Question



RCA's efforts to promote color TV by demonstrations in supermarkets



Coca-Cola's experiments in various new bottle sizes, such as quarts

as major appliances and electrical housewares, analysts pay special attention to competitive pricing policies vis-a-vis competitors. As one Merrill Lynch analyst put it, "the world is waiting with baited breath" to see what effect General Electric's move cutting electrical housewares prices across the board will have on sales and earnings of other housewares makers (**Tide**—February 11). If the GE move perks up its own sales in this division, it's possible the "wait and see" policy now followed by other small appliance makers (some have pared prices on a few lines) will be reversed.

Incidentally, in both major appliances and housewares this same analyst thinks that the marketing effort of Westinghouse Electric Corp. "hasn't been what it should be." Even though Westinghouse has many troubles, including those with labor, Loeb thinks it boils down to a case of a company name being better than its consumer products. If Loeb is right, Westinghouse's earnings show the result: for the nine months ended last September 30 (before the strike began), Westinghouse net was $43,839,000 compared with $62,644,000 in the comparable 1954 period.

A recent Merrill Lynch security and industry survey shows that price boosts on 1956 model cars (Fords have been pared to get in line with Chevrolet) plus heavy increases in auto instalment buying may cut output and sales this year, despite rising disposable income. Conversely, impending relaxation of Federal controls over natural gas prices indicates a rise in consumer rates, higher revenues for gas transmission and distribution firms and integrated companies (which do both) like American Natural Gas.

The picture is slightly different in the case of utilities, such as gas distribution companies. If the homeowner feels the price of gas to run the kitchen stove is too high, he can switch to electricity—at the cost of a new stove. At least one utility analyst feels gas companies ought to give serious consideration to that possibility.

He notes that nationally branded electrical appliances do extensive promotion through electric utility companies. These campaigns, he says, are effective, since there is a marked trend toward use of more electrical appliances in the home. The trend, says he, is spurred by installation of such things as GE package kitchens in housing and apartment developments. (**Tide**—Dec. 17, 1955).

On the other hand, this analyst adds, few gas appliances are nationally promoted and marketed, particularly kitchen stoves. This makes extensive national tie-in promotions with gas companies difficult. In short, gas companies may find it expedient to go slowly on rate hikes.

This utility analyst also pays close attention to public relations policies. Brooklyn Union Gas, he says, will cheerfully repair any faulty gas appliance on request. A nearby electric utility will tell you to get an electrician. It's important, says this analyst, for a publicly regulated company to do two things: tell its story to the public (particularly as to why it needs rate hikes); practice public relations in direct contact with the consumer.

➤ **In today's burgeoning economy, analysts pay more attention to what companies do to expand present or create future markets. This involves close observation of such factors as marketing of new products, product research, and mergers.**

One Merrill Lynch analyst is confident of a break-through in the color TV market. He figures RCA's stepped up sales efforts "will have to get off the ground this year because "RCA has too much money behind the program." He figures RCA should sell between 200,000 and 300,000 sets this year, with sales picking up in the second half. "If this happens," he says, "1957 should see ascending levels of production and sales of color TV sets." Volume of sales, he thinks, will depend on two factors: reduced prices and effective TV programming.

This kind of diversification is important to analysts (like S. Logan Stirling

of Eastman, Dillon & Co.) and all analysts are inclined to rate highly companies which are intelligently broadening their lines and bringing out new products. The continuing rash of mergers also spells diversification, which, in most cases means strength for an investor. Business in one line may fall without any sharp effect on a company's over-all earnings. Olin Mathieson Chemical Corp., for example, covers a multitude of businesses (e.g., Squibb drugs and pharmaceuticals, Mathieson industrial chemicals, Winchester sporting arms and ammunition, Olin packaging films, etc.). In a booklet on 111 growth stocks, Merrill Lynch says the merger in mid-1955 of Sperry Corp., and Remington Rand to Sperry Rand created "a strong, well-balanced company with an extremely wide variety of products and markets and with interesting growth potentials in a number of lines."

Observing the trend toward mergers, Lurie says "diversification is sound in theory, but it is more complex than it seems." Since a great many merged corporations (and others) report earnings on a consolidated basis, it's difficult to trace marketing progress in any one division on a dollars and cents basis. "It's easy," comments Lurie, "for an investor to delude himself that way." He feels that "money is made in concentration" in related lines.

➤ **Some analysts think of the new key word — growth — as synonymous with marketing. And though financial considerations are still all-important, most analysts would admit that marketing has come of age in Wall St.**

BOOK REVIEW



The Golden Kazoo

JOHN G. SCHNEIDER has been variously employed by Kenyon & Eckhardt, Fuller & Smith & Ross, among other advertising agencies. It came about because, he says, "In 1935 I discovered the institution of advertising, perceived that it was the home of the fast buck. . . ." For Schneider, the bucks were fast indeed and he retired in 1950 at the age of 41 to devote himself to writing.

His first novel, "The Golden Kazoo"* is just out and, naturally enough, is about advertising. It is also about politics, the man in the grey flannel suit, expense accounts and sex, all bound together with wit, finesse, a rollicking kind of writing and such exaggeration that this is at least one book about advertising that isn't offensive. It may, however, cause an occasional wince amid the chuckles and in television circles even an occasional moan.

By the time the presidential election rolls around in 1960, it is perfectly clear, to Mr. Schneider at least, that advertising will have complete control of the campaigns and, for that matter, complete control of the candidates. Blade Reade, the genius, the hero and the villian of the story, is the head of a Madison Avenue advertising agency called Reade & Bratton (seems to have a familiar ring, doesn't it?), which is devoted to the job of electing the Republican candidate, Henry Clay Adams. Another Madison Avenue agency identified only as BS&J is equally determined to elect the Democratic nominee, Honest John Jonas.

In the course of selecting Adams and later in electing him, Reade and others in Reade & Bratton lay down some basic advertising and selling rules (which also sound a little familiar). First, there is "the immutable first law of advertising," sometimes described as the Concept of the Lowest Common Denominator": "There ain't any high-brow in low-brows, but there's low-brows in everybody." Second in importance is the premise that buying impulses are irresistably motivated by pictures and copy about home cooking, mothers, their love for dogs and babies and a romantic attachment to sex.

Third, there are several basic tenets of almost equal importance, pithily summed up by Joe Quanto, the cynical, sensitive, disillusioned Big Idea man of Reade & Bratton: "the Quality-by-Association gimmick, the Emotional Hook, the *Post Hoc Ergo Propter Hoc* pseudo-syllogism, the Sincerity-is Truth dodge and the formula which proves that New is Terrific."

Other Reade & Bratton loyalists contribute other little nuggets of selling wisdom from time to time: Schmucker, the research head (who loves his huge electronic machines), Fanny Frazer (who loves women), Flaire Daire (who loves Reade), and others who seem to love little or nothing but their paychecks.

Among them, they combine to sell Henry Clay Adams to American consumers, a group, notes Reade which no party has had the wit to sell politically since Franklin Roosevelt. To hell with the farmers, the liberals, the Southern Bourbons; the people who must buy Adams are the great mass of Consumers.

The soap operas, the women's programs, the giveaways shows that do the job for Reade are the elements of the Golden Kazoo which make it an outstanding and amusing satire, but to reveal them would be to reveal the real plot of the book. They certainly do not make a very pretty picture of advertising or of television or even of modern American marketing methods. But they do demonstrate in a fantastically exaggerated way, the power of marketing in general and advertising in particular. All that remains is for the business to take an amused view of what is, after all, a very funny book. This business should be no more free of clever satire than any other.

*Rinehart & Co., $3.50.

This is Hotpoint's new sales building plan

- **The company now has a manager to market each appliance.**
- **The idea is to decentralize—to create many sales specialists.**
- **The goal is volume sales as in soap, cigarets, toothpaste.**
- **And Hotpoint thinks its plan assures a flow of new products.**

THE pattern is crystal clear. If business is to keep sales up to production ability, it needs the marketing prowess of the soap, the dentifrice, the cereal and other such "volume" industries. For years, of course, one key to volume marketing in these multi-product industries has been the concept of product manager—a man to shepherd the sales destiny of each product the company sends to market.

➤ **One of today's most significant business trends is the spread of that sort of decentralized management to the heavy goods industries—first automobiles, now appliances, big & small.** In short, high sales volume, rather than high unit profit, is the key concept today in those durable goods fields. And their executives realize that high sales volume depends as much, if not more, on marketing organization as it does on marketing method.

As General Motors pioneered decentralization in the automobile business, General Electric is currently doing so in appliances. GE's recent reorganization along product manager lines, its appliance price cuts (paring profit margins at every distribution level) which happened shortly thereafter, make it plain what GE has in mind: "supermarket" selling of appliances (**Tide**—February 11).

Probably the brand new organization of GE's Hotpoint division, which markets only major appliances, best illustrates how management is being reorganized to accomplish GE's marketing goal.

➤ **Hotpoint's new management organization is particularly significant for this reason: it supercedes a modern organizational method many other companies are just beginning to become aware of and to install.** In Hotpoint's former structure, all the functions involved in selling its products — e.g., marketing research, sales, product service, advertising—were incorporated into a single marketing department. It had equal status with Hotpoint's seven other operational departments: general administration, engineering, manufacturing, financial, industrial relations, materials, commercial equipment. Hotpoint was run by an executive committee made up of its president and the eight department heads.

Tall (6'4"), balding John C. Sharp, Hotpoint president, explains why Hotpoint shifted to decentralized management by dividing into five marketing and three managerial departments (see chart). For one thing, says Sharp, GE and Hotpoint needed "a form of management allowing still greater market expansion, faster and more economically" (Hotpoint's 1955 sales were 30% higher than 1954's, 13% higher than record year 1950). For continued expansion, Hotpoint, or any other firm, obviously needs newer, better, different products, sold in continually increasing numbers. The best way both to "discover" new products and to sell them, thinks Sharp, is through "highly specialized management."

A second reason for Hotpoint's decentralization, says Sharp, was top-level management's high mortality — due probably to the fact that too few had been expected to do too much.

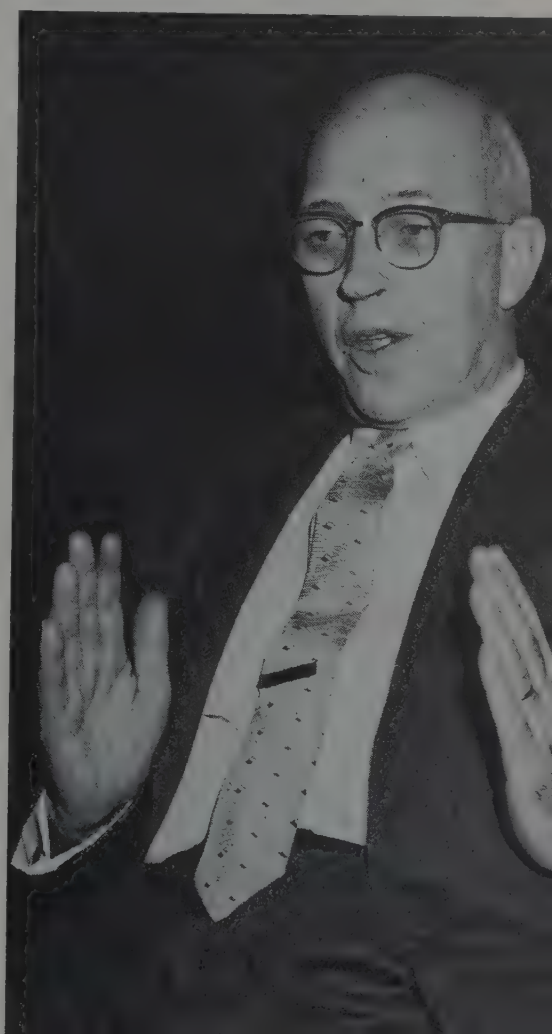
Finally, Sharp's job is much less harassing. With each department set up to operate like a separate company, and with each general manager functioning like a company president, Sharp is relieved of many decisions he formerly had to make. "This has been a great relief," Sharp declares. "Before the change, I felt like I was in a three-ring circus. I was constantly deluged by committees—several times a day, every day. My arms had gotten too short to go around all these men and their many problems."

➤ **Hotpoint's new structure is startlingly simple. As the chart shows, each consumer product department includes these basic sections:** engineering, manufacturing, marketing and finance. Hotpoint's new structure thus incorporates one key concept of its former structure: the entire sales process in each product department remains integrated under a marketing section.

The marketing sections of Hotpoint's four consumer product divisions have identical objectives: greater penetration of existing markets; the creation of new markets. In short, each marketing section plans for continually growing sales. Working closely with Hotpoint's seven service sections (see below), it thinks up new products, directs advertising programs, runs merchandising programs, watches over product publicity, keeps an eye on special markets and special accounts.

The really unique aspects of Hotpoint's new organization, though, lie in the three other sections assigned to each of the four consumer products departments. For example, each of the four consumer products departments has a regional sales section—the range department has the south, the refrigeration department the east, the home laundry department the midwest and the dishwasher & water heater department the west.

Why? When GE decentralized, explains Sharp, its major appliances division gave up its field sales organization. However, GE also didn't want each major appliance department to have separate sales groups since too many



Hotpoint president John Sharp: his plan fooled the "experts"

GE factory salesmen would then be calling on the same distributors. GE thus created national sales teams, or "flying squadrons," representing all its major appliances. They operate out of the major appliance division's home office in Louisville.

Sharp didn't go for the "flying squadron" idea on the ground that Hotpoint has "many" exclusive distributors who, he thinks, like "personal sales service."

➤ **Sharp's way out of that quandary was to assign each consumer product general manager to one sales area—putting the general manager in charge not only of his own product line but of all Hotpoint consumer products in the area.** In other words, while the range department's general manager J. F. McDaniel and his marketing department are responsible for sales of ranges the nation over, they are also responsible for sales of all Hotpoint consumer products in the south. Reporting to McDaniel from the field is a sectional sales manager, F. R. Williams. Thus distributors have one top-level man and one field man always available.

Sharp admits that "certain marketing experts" told him the plan would never work. "What these fellows didn't stop to realize is that with our decentralization has come intense internal competition. Each general manager is smart enough to realize if he were to slough off on the other general managers' appliances and push only his own, he'd soon find in his office three very angry men, who could easily retaliate." On the contrary, thinks Sharp, "while the competition is keen, the men are always eager to help one another to push all Hotpoint appliances." Sharp sums up results of his sales plan this way: "The teamwork is great, and it's fooled the so-called experts."

➤ **Oddly enough, while counting the blessings of decentralization, Hotpoint also relies, too, on centralization. As the chart shows, Hotpoint's range department has a distribution planning section and a national advertising section.** Its refrigeration department has a special market section and a research section. Its home laundry department has a product service section and a visual design section. Each of these sections serve all four consumer product departments.

Research, under Dr. O. G. Vogel, has the job of meeting Sharp's demand for newer, better, more economical products. Visual design, under manager R. C. Sandin, co-ordinates all design aspects of Hotpoint appliances, striving for design continuity. It also thinks up "futuristic" designs for new products.

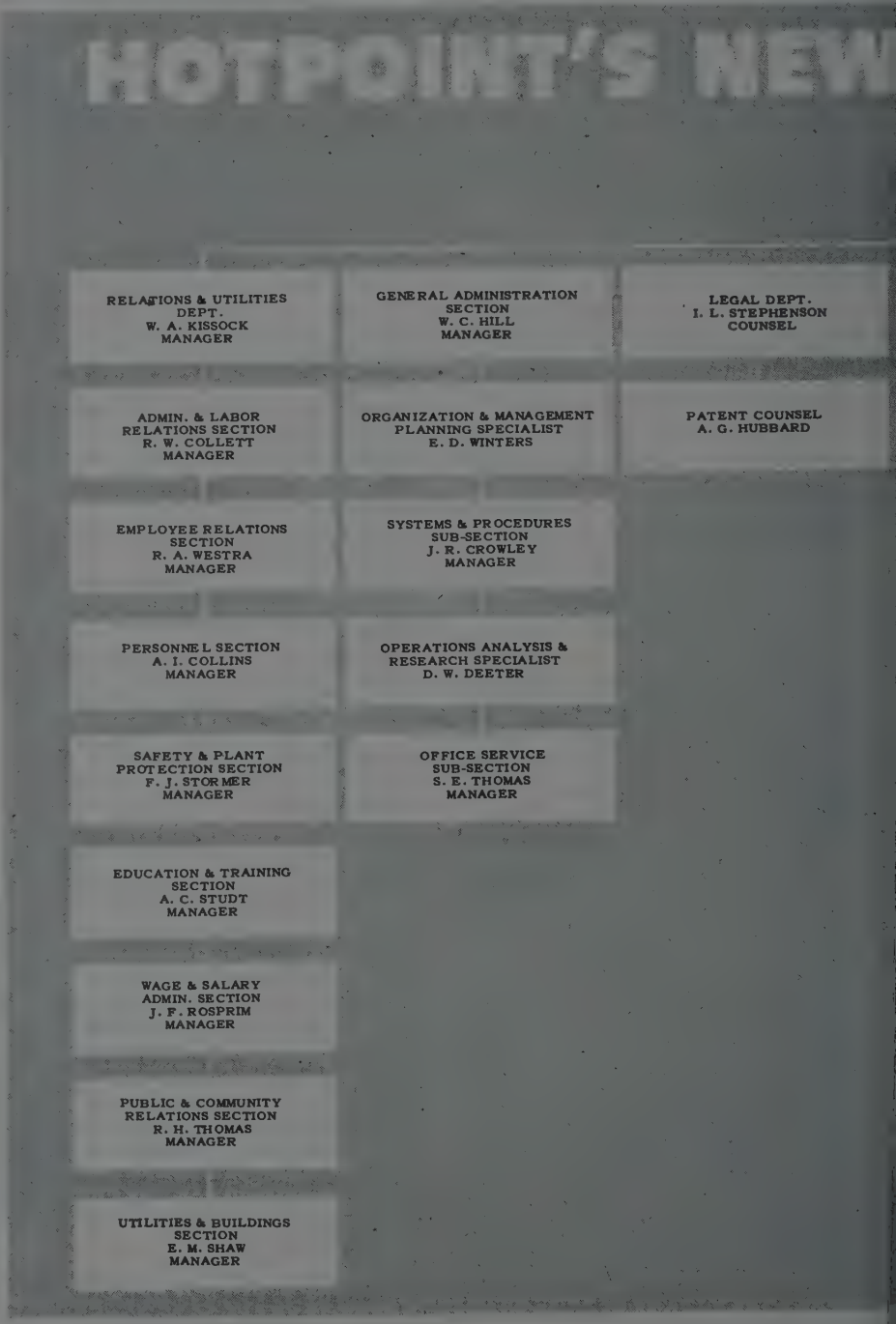
Distribution planning, under G. W.

(Continued on page 34)





Hotpoint's four consumer product managers (l. to r.): Orrin Wolf, John McDa









Haines, Ralph Spang. Their job is to sell major appliances with a prowess equal to soap, cigaret or toothpaste marketers

MARKETING ORGANIZATION

PRESIDENT & GENERAL MANAGER
J. C. SHARP

RANGE & COMPONENT PARTS DEPT. J. F. McDANIEL GENERAL MANAGER	REFRIGERATION DEPT. O. E. WOLF GENERAL MANAGER	HOME LAUNDRY DEPT. R. M. SPANG GENERAL MANAGER	DISHWASHER, WATER HEATER & CUSTOM APPLIANCE DEPT. E. M. HAINES GENERAL MANAGER	HOTPOINT COMMERCIAL EQUIPMENT DEPT. W. C. AYRES GENERAL MANAGER
ENGINEERING SECTION W. R. McDOWELL MANAGER	ENGINEERING SECTION F. L. TARLETON MANAGER	ENGINEERING SECTION R. O. WARNER MANAGER	ENGINEERING SECTION J. L. ANDREWS MANAGER	ENGINEERING SECTION H. A. MICHAELIS MANAGER
MANUFACTURING SECTION P. W. RYAN MANAGER	MANUFACTURING SECTION M. F. PAYNE MANAGER	MANUFACTURING SECTION B. E. SCHROEDER MANAGER	MANUFACTURING SECTION L. E. SWEET MANAGER	MANUFACTURING SECTION R. E. SMITH MANAGER
MARKETING SECTION D. J. IRVINE MANAGER	MARKETING SECTION H. J. SCAIFE MANAGER	MARKETING SECTION F. C. MARGOLF MANAGER	DISHWASHER, DISPOSER & WATER HEATER MARKETING SECTION C. C. GRAMER MANAGER	MARKETING SECTION W. SORMANE MANAGER
SOUTHERN SALES SECTION F. B. WILLIAMS MANAGER	EASTERN SALES SECTION J. S. HICOK MANAGER	MIDWESTERN SALES SECTION J. E. McCARTHY MANAGER	CUSTOM APPLIANCE MARKETING SECTION L. J. DIANGELO MANAGER	FINANCIAL SECTION B. R. BLACKWOOD MANAGER
DISTRIBUTION PLANNING SECTION G. W. WESTFALL MANAGER	SPECIAL MARKETS SECTION E. J. SORENSEN MANAGER	PRODUCT SERVICE SECTION W. G. McNEAL MANAGER	WESTERN SALES SECTION V. E. KOCH MANAGER	
NATIONAL ADVERTISING SECTION P. L. CRITTENDEN MANAGER	RESEARCH SECTION O. G. VOGEL MANAGER	VISUAL DESIGN SECTION R. C. SANDIN MANAGER	EMPLOYEE & COMMUNITY RELATIONS SECTION E. E. PILE MANAGER	
FINANCIAL SECTION M. J. BORST MANAGER	FINANCIAL SECTION R. M. SCHLECK MANAGER	FINANCIAL SECTION J. M. WHELAN MANAGER	FINANCIAL SECTION P. E. KINDIG MANAGER	

SELLING TO INDUSTRY

By John Sasso ®

Dirty linen dept.

Now that public relations is gaining greater acceptance by industry, some practitioners are setting up confusion by arguing over how and where such activities should be set up. On the theory that the best defense is a strong offense, several public relations "counselors" have recently been sounding off about the danger of advertising agencies invading their sacrosanct domain. One spokesman even threatened an extension of advertising activities by public relations firms.



Sound public relations, according to one of these spokesmen, cannot be achieved in an area sullied by the vulgarities of mere commerce of crass publicity. In his limited view, public relations has no relation to the marketing problems of a company, and little relation to editorial communication.

However, most public relations people know the activity cannot perform in an industrial vacuum: it is still only one of the many basic techniques available for "selling" a company and its products. Logically, it must be considered in relation to those other techniques and co-ordinated with them. Sneers at publicity are laughable: about 99.99% of so-called public relations outfits rely on good old publicity as their major communications tool.

As an opinionated character, I'd like to recommend that these savants re-read the November, 1955, Fortune article on public relations; it helps deflate the "profession" nonsense.

The basic point is not whether outside outfits or advertising agencies do the job. The core of the matter is how the public relations operation is set up—the caliber of the men doing it—and the proper use and timing of the technique. Advertising agencies today are striving to serve their clients in a "total promotion" sense. It is childish to contend that such major agencies are incapable of setting up public relations in the adult position it demands.

There's room for everybody, fellows. Let's not argue. Instead, let's make sure we all do an honest job that will gain still greater industrial stature for public relations work.

PA's are best sellers

Ray Richards, publisher of Purchasing, writes to tell us he was greatly pleased to learn of the response we had on Dun & Bradstreet's guide on dealing with purchasing agents. As further evidence of industry interest in the PA, Ray points out that Purchasing magazine has had over 3,500 requests for reprints of its article, "Tell Your Salesmen How to Sell the PA," published last October.

The PA, to our mind, is one segment of the market you must sell well if you are to sell successfully to industry. Learning what he wants to know makes sense. How about learning how to sell the other facets of your markets: engineers, production men, professional men, etc.—by finding out what they want to know about your type of product?

Clever gag

For a number of months now, we have been on the receiving end of Wolverine Tube's direct mail campaign. It's a pretty good one. Latest gimmick: the sales pitch for selling the "fine surface" on Wolverine's finned tubing is printed on fine sandpaper. Pretty good tie-in of the visual and tactile senses. Wonder if the sandpaper manufacturer furnished the paper for free?

Complaint dept.

You editors who write company brass directly asking for articles—and then follow up by writing the same brass three weeks later—ought to get your fingers whacked. Such letters are basically publication-selling pressure items.

You certainly can assume that the first letter inevitably was routed to the proper people. Hence your second letter only serves to create internal annoyance for those departments who are trying to fill your editorial request.

Let the publisher and the sales reps do the media selling.

(Continued from page 32)

Westfall, has this primary job: to forecast quotas for each distributor and dealer, and to see that he meets them (the department holds educational meetings for distributors who do not meet their quotas).*

➤ **Special markets manager E. J. Sorenson all but sits on a tinder box, for included in his bailiwick is builder sales, the cause of much hard feelings among appliance dealers.** Like its competitors, Hotpoint, through its distributors, sells directly to many builders. The reason, of course, is that most dealers simply can't service such quantity sales. Sorensen says Hotpoint continually urges its dealers to try to build a direct-to-builder business, working out service arrangements with their distributors.

Product service, under W. G. McNeal, works out the service warranty for each product, continually works with Hotpoint distributors on service.

➤ **National advertising, under Philip L. Crittenden, has a budget this year of around $10,000,000 (up from last year's $7,500,000).** Crittenden holds meetings with department general managers to decide on which Hotpoint products to feature when & where (though all get plugged somewhere in the ads). His problems are eased by the fact that Hotpoint's products are seasonal—refrigerators, for example, sell best in spring and summer, home laundry equipment in fall and winter.

R. H. Thomas handles public and community relations for the consumer product departments, though his section is under the managerial department, relations & utilities.

So far, Sharp is happy with Hotpoint's new decentralization plan: "With a little give and take, it's working out fine." Sharp, basically, hopes to make the housewife dissatisfied enough with her present appliances so that she will keep trying new ones. "After all, how has the automobile business gotten so big? New models, new features almost every year. The appliance industry has to do the same."

➤ **Sharp, though, has a particularly special reason for banking on the product manager concept, so successful in the soap, toothpaste and cigaret industries:** "With the St. Lawrence Seaway to be completed in a few years, we'll be able to ship, direct from Chicago, Hotpoint appliances all over the world. ■

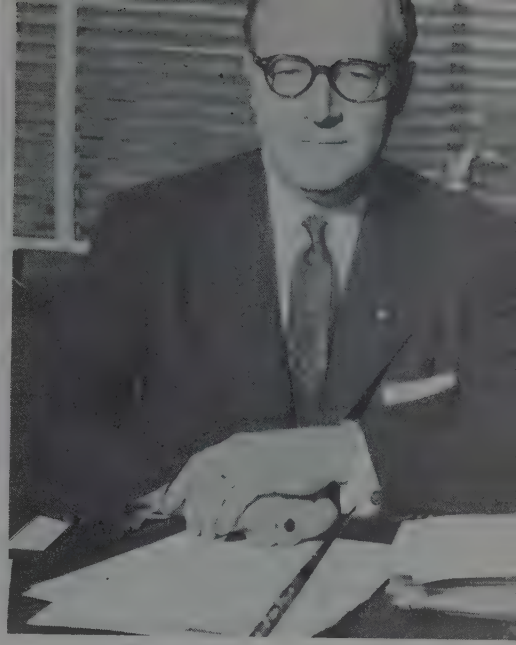
*Distribution planning also conducts distribution experiments. One such, now closed down, was Hotpoint's factory-owned Toledo distributionship. The idea was to find out whether sales would rise if distributors followed exactly Hotpoint's sales suggestions. Toledo was chosen because at the time sales there were poor. Westfall claims the operation was a success and that Hotpoint learned quite a bit from the experiment. He says it was closed down because it was too far from Hotpoint's Chicago home for adequate factory supervision.



W. Howard Chase: optimism must be backed up by investments



Keen Johnson: optimism serves as a stimulant to business



Robert Johnson: unsound judgment can be dangerous

Economic optimism: does it affect sales?

- **Marketers see a strong link between confidence and spending.**
- **By stimulating optimism, sales are stimulated, too.**
- **Here's the story behind today's "psychological marketing."**

WITHIN the last few months, a significant series of stories has appeared in the nation's newspapers. The best known example, perhaps, is Harlow Curtice's announcement of a $1 billion General Motors expansion program, a program based on GM's faith in the economic future. Other examples: American Iron & Steel Institute president Benjamin Fairless' "more steel and more jobs" prediction, and agencyman-economist Arno Johnson's reassurance that our economy is stable despite the size of outstanding consumer debt.

Whether it's a prominent industrialist revealing a vast expansion plan, a business leader looking to the future or an economist weighing economic stability, the effect is the same: stimulation of optimism throughout all quarters of the economy. For, from all indications, the country's industrial leaders now realize an important truth: confidence and spending are handmaidens of any expanding economy.

➤ **The concentrated effort by top executives to convey their optimism to smaller businessmen, to distributors, dealers, retailers and consumers, is carefully calculated psychology.** This effort, which **Tide** coined as "psychological marketing" in its issue of Nov. 19, 1955, has become more noticeable in recent months. For in the midst of the greatest business era in U.S. history, when many were commenting that the economy had no place to go but down, Harlow Curtice gave notice that GM was turning another $1 billion into expansion, huge investments were announced in jet plane orders, in atomic reactors, in new steel production equipment, in more and bigger shopping centers, in every element of the economy.

The psychology, of course, is not in the expansion itself; as production demands go up, so must production facilities. The psychology lies in the announced *reason* for the expansion: to fill the needs of a nation whose future is bright, and as an expression of absolute faith in economic growth. The small businessman, the retailer, the consumer — perhaps hesitant about breaking out the bankroll for some major expenditure—hear this expression of optimism, think it over, and buy.

The result is more sales, greater demand, higher gross national product,



S. E. Wolkenheim: it somehow connotes devious purposes

Don R. Cowell: the effectiveness is at the local level





Marketers Gale, Waddell and Kennedy: the psychology of optimism

more employment and bigger disposable income.

➤ **In a recent speech, Dr. Ernest Ditchter noted that "our prosperity is based on psychological foundations."** Economists and business leaders who predict a slip in business, he explained, are "playing with fire and doing a disservice to the country." While the laws of supply and demand may not be amenable to human influence, he continued, "the root causes of prosperity are. The proper question, therefore, is not whether or not out prosperity will last, but what exactly can we do to make it last."

Dichter claims that psychological dynamism underlies our present prosperity, and he warns about "worrying the consumer with doubts and black predictions. Instead, he insists, businessmen, manufacturers, advertisers and retailers "should take positive action" to confirm the consumer in his new optimistic philosophy.

Other spokesmen for psychological marketing have taken up Dichter's argument. In a recent address, Du Pont president Crawford H. Greenewalt claimed that "public confidence . . . is the governing factor in maintaining high-level industrial activity. Collective confidence is the principal criterion affecting the state of business at any particular time." An optimistic economy, said Greenewalt, is "a poised and delicately balanced mechanism which requires the understanding and the sympathetic attention of all those who have some responsibility for piloting our industrial enterprise."

➤ **Because the purchase of a new car requires a strong degree of consumer confidence, automobile executives have always been able practitioners of psychological marketing.** GM's Curtice said recently that "The importance of public confidence cannot be overemphasized." And another key auto spokesman claims that "Enthusiasm, determination and good selling breed prosperity, speed up the buying and selling cycle, and that adds up to a higher standard of living."

Is psychological marketing becoming another tool in the public relations man's kit? Evidently so, according to a **Tide** survey of the nation's top PR experts. It is the PR men, guiding top management in the proper manner, timing and approach to expansion announcements and expressions of confidence, who are winning the public's collective mind over to confidence.

Listen to some top marketers on psychological marketing:

• **Henry M. Kennedy, ad director, Prudential Insurance Co. of America:** "There is no question that optimistic statements by leading businessmen have an important effect on future economic activity. It is generally recognized in a free enterprise economy that the psychology of both businessmen and consumers is a very important factor in determining both investment and consumption decisions . . . if businessmen and consumers believe the future will be bright, they are much more likely to . . . risk present spending."

• **Keen Johnson, PR vice-president, Reynolds Metals Co.:** "Optimism unquestionably serves as a stimulant to the general business trend, and inspires confidence in industry and . . . to the average citizen contemplating a major purchase."

• **Ralph C. Champlin, vice-president, Pennsylvania Railroad Co.:** "I think there is a follow-the-leader quality to optimistic statements from responsible businessmen in generating confidence upon which business decisions for production and expansion are based. Undoubtedly this has some effect on consumer purchases, as here again the feel-



Frederic A. Potts



C. B. Stephensen

How smalle

OPTIMISM is contagious. When big business men, economists, industrial leaders and other prominent executives take an optimistic view of the economy, this attitude spreads throughout the country. The smaller businessman, manufacturer, the retailer and consumer all react favorably to "psychological marketing." The result is expansion and more expansion, sales and more sales.

This is the overwhelming conclusion of a **Tide** cross-country survey. With only a few exceptions, the nation's smaller businessmen peg much of their own planning on what they hear and see bigger businessmen say and do. **Tide** interviewed manufacturers, bankers, department store operators, supermarket chain operators, hotel chain managers, real estate brokers and retailers in 15 major cities; the majority agrees that "psychological marketing" has a significant effect and plays a major role in local expansion.

These are some of the comments of local businessmen made:

Earle A. Chiles, president & general manager of Fred Meyer, Inc., Portland (Ore.) supermarket chain: "Optimistic moves made by the great industrial leaders naturally have an influence on smaller business. When the industrial giants back their optimism with large investments for expansion, it lends distinct encouragement to everyone else because it is the general opinion that the larger national concerns have unusual means of analyzing the future and are in a position actu-

ing of security for the future is an important element in commitments, particularly instalment commitments."

• **Nate L. Crabtree, PR director, General Mills:** "Spreading words of encouragement tends to bolster belief in the continued spiral of business increases. In our own sphere in the milling industry and in this business community, we are considered a leader and all moves that we make are followed closely by our competitors and smaller businesses. When one of our executives sounds a hopeful note, it encourages. When we announce that we are going into a specific program we are certain it has a positive effect on the business planning of those firms in our sphere of influence."

• **Robert Waddell, PR director, Hamilton Watch Co.:** "I think the flow of [our current] spirit of confidence engulfs all segments of our population and is reflected in their own vigorous approach to investments, new buildings and the acquisition of goods."

➤ **The effectiveness of psychological marketing, according to the nation's leading public relations executives, depends largely on five factors:**

First, the degree of judgment and responsibility behind public statements of optimism. Unless the public is convinced of the soundness of a prediction, it will have little beneficial effect. As Pabst Brewing Co. PR director Andrew H. Talbot puts it, "The degree of confidence generated and the willingness of the consumer to part with his dollars . . . is predicated not on 'words of optimism' but on the sound belief that business management . . . could only release such news because of 'economic fact'." In the opinion of United Air Lines vice-president Robert E. Johnson, the effectiveness of psychological marketing hinges on "realistic statements by responsible business leadership." Unrealistic statements based on unsound judgment, says Johnson, "can create a dangerous situation." Adds Dow Chemical Co. PR director Arthur Smith, Jr.: "The important thing is the degree of responsibility with which we regard [statements of optimism]."

Second, the prominence of the man making the statement or prediction. Says DuPont economist Ira T. Ellis: "The significance of [optimistic] statements . . . is based largely on the prominence of the individuals making them. The president of General Motors, U.S. Steel or Sears, Roebuck is expected to have a broader view of the national business picture than can the head of a small local business." Generally, most top executives insist the effectiveness of an optimistic declaration is in direct proportion to the prominence of the declarer.

Third, the extent to which optimism is backed up by a concrete act. Unless key executives prove they believe their predictions by announcing investments in the future, say top PR men, the effect is negligible. McCann-Erickson PR vice-president and Public Relations Society of America president W. Howard Chase feels that optimistic statements about economic prosperity or industrial expansion have a definite effect on other business and on consumers, "provided the statements are backed up with pledges of expenditures or expansion."

National Gypsum Co. PR director Richard D. McCarthy feels that "psychological marketing has to be coupled with something concrete" to be effective, adds that people are more inclined to believe Harlow Curtice's optimism when he backs it up with a billion-dollar expansion program. Optimism, backed by announcement of a capital investment, says Prudential's Kennedy, "has a double effect."

Fourth, the effect on the local level. Psychological marketing is effective, most PR men insist, only if local businessmen and retailers are convinced announced expenditures will mean more

businessmen react to optimism

ally to greatly influence the nation's economy by their own investments and expenditures."

Morris R. De Woskin, hotel broker operating hotels in Chicago, Havana and Puerto Rico: "I pay very close attention to the statements of business leaders regarding their expenditures for expansion. I feel they have much greater facilities than I have for getting information and estimating buying power of the public.

"People in small businesses gain confidence from their optimism and are willing to spend more money for improvements, advertising and promotion."

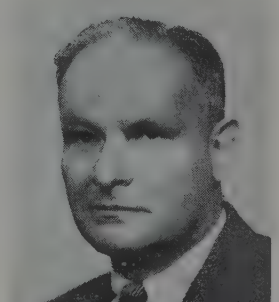
Frederic A. Potts, president, Philadelphia National Bank: "We definitely watch and are guided by the prognostications of the top men in industry. When Curtice makes an estimate of the number of automobiles that will be produced in the next 12 months, our directors weigh carefully the effect this will have on our activities. Will our dealers be overloaded with second-hand cars? How are our consumer loans? We read carefully anything a man like that says, then we discuss it and refer to it—always, of course, including survey and economic reports that are pertinent to the situation.

"The rate at which money turns over . . . has its roots in psychology. If people don't sit on their dollars, we are in a boom that should continue until about 1961 . . . but when people begin to fear and doubt, they hang onto their money. The rate of turnover slows down and the entire economy must slow down with it. So instilling confidence in the public mind is a matter of tremendous importance, as I see it."

C. B. Stephensen, president of the First National Bank, Portland (Ore.): "The expressed attitude of large companies such as General Motors, Ford and U.S. Steel has an impact on the thinking of businessmen everywhere. Steel is necessary to more manufacturing enterprises than any other commodity we have. Automobiles and other products . . . which are large users of steel, touch directly the everyday life of almost every citizen. Therefore the optimistic attitude of leaders in these industries is bound to have an influence."

Charles Weyl, president of International Resistance Co. of Philadelphia, is "interested, naturally," is public observances of the nation's top industrial figures but feels his firm must be guided by data relating more directly to its own field—electronics. Weyl admits he "follows closely" statements by "key men in our own field," adds that through his customers (GE, Westinghouse, Philco, RCA, Sylvania) his decisions may be influenced indirectly by statements that originate with the economic leaders.

J. Goldman, president, Federal Container Corp. of Minneapolis: "General optimism has played no role whatsoever in our expansion. We gauged our expansion by our own business. Demand reaches a point where you can't handle it with existing facilities, then you have to expand. Just because somebody says business will be good doesn't make me go out and build a new plant."



Charles Weyl



Earle A. Chiles

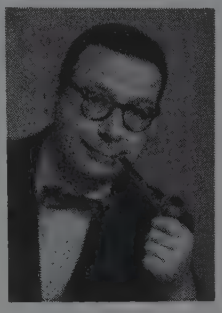
ONE ADMAN'S OPINION

By Lester Leber ®

Jello-O again

Those of us who believe in the importance of a fresh, creative approach to advertising can find grist for our mills in the relative standing of two competitors, Jell-O and Royal.

Jell-O's advertising is outstanding. It has won awards from **Tide** and other professional sources. Royal's efforts are hackneyed to an extreme. The general level of their latest ad is indicated by the headline: "NEW! Better for You! First and Only!" A sub-head begins with "Only" and body copy opens with "Yes, new ROYAL Gelaton Dessert gives you . . ." Large type proclaims "Always Reach for Royal." A maximum quantity of cliches is squeezed into a half pages.



Jello-O dominates its market as few brands do. Advertising can't claim all the credit, but deserves a sizable share in this case because the two products are so similar.

Distribution doldrum

A disillusioned correspondent who insists on being unidentified here also insists that I call attention to what he considers a heinous situation. Seems he saw a golf shirt advertised by Hathaway. He asked for it at Lord & Taylor and was told it was sold out with no plans to re-order. So he phoned the manufacturer. They gave him the names of Wallach's and Broadstreet's. Again he tried and again no shirt in stock. He wants to buy it but nobody appears at all interested. He thinks that an advertiser should find some way to sell him the shirt it featured in a national magazine. And who can disagree?

Gobbledygook

Shubh Yatra.

Deuwch pan fynnoch, croeso pan ddeloch.

Bdeagan ioruing na-aon.

These are not typographical errors. They are headlines from ads in American magazines. The first is Hindu for "Safe Journey" (National City Travellers Checks). The second is Welsh for "Come when you will, and welcome when you come" (British Travel Assn.). The third means "Little ironing or none" (McGregor Sportswear).

Running copy in a foreign language is nothing new. It's usually done in French or Italian with words that are almost the same as their English counterparts. Use of strange tongues like Hindu represents a switch. Until the idea is overdone, it's a good means of drawing attention.

A mild tsk, tsk

Advertising agencies have been justly criticised for not advertising themselves sufficiently. Campbell-Ewald deserves credit for being among the small number that does.

That's why it's difficult to understand the lack of sparkle in the opening paragraph of their latest effort: "Merchandising? Ask 'most any two advertising men that question. You'll have a peach of an argument."

The little-child coyness of **'most** and the rusticism of **peach** and the subsequent reference to their merchandising head by a diminutive of his first name doesn't seem to mesh with the sophistication of the audience they are trying to reach or the story they are telling.

Passing thought dept.

Wonder why agency men, when they sell extra services, are so fearful of being business men? After all, they deal with business men who can understand costs—so when a catalogue is proposed, or a survey suggested, why shouldn't it be priced realistically? No business man expects another business man to operate at a loss—even to keep a customer happy. Reminds me of the old bromide: "There's no such thing as a free lunch." There's no such thing as "free" agency service.

From the mailbag

Morton Freund of Gumbinner Advertising Agency has another item for the Dept. of Coincidence. In his interview with Joe Kaselow of The Herald-Tribune and in one of my recent columns (both appearing at the same time) each of us gave examples of how advertising catches more prospects with "honey" than with "vinegar."

money available on a local level. Quaker Oats PR director Don R. Cowell feels that the real effectiveness of something like General Motors' "billion-dollar bet" is at the local level when it's announced that "the GM plant in community X will be enlarged in a program costing so many dollars and calling for so many new employes."

Fifth, Timing. As with any other public announcement, say leading PR men, timing of optimistic statements is essential and can depend on a variety of circumstances. Many cite Curtice's billion-dollar bet as an example of perfect timing.

➤ **A few top marketers are skeptical about the value of a conscious effort to instill consumers and smaller businessmen with any degree of optimism.** A. O. Smith Corp. marketing director S. E. Wolkenheim feels that the term "psychological marketing" somehow "connotes devious purposes removed from true purposes," admits that when news of expansion is announced it may have "salutory effects," but adds that this serves only "to communicate to America that we can be thankful things are going good." Wolkenheim claims business is beginning to do a good job of humanizing itself, hesitates to thwart this "by considering these efforts psychological."

How can industry do a better job of communicating its optimism to the consumer, to smaller businessmen, retailers and the entire economy? Leading PR men suggest the following:

- **Restrict statements and predictions of optimism to prominent men in responsible positions,** and make sure statements are based on sound business judgment. As Procter & Gamble PR Dept. manager O. M. Gale puts it, "Prominent industrial leaders should be careful to make statements which are intended to inform and educate those to whom their statements are addressed."
- **Back up optimism with the announcement of expansion or investment,** and attribute it to a belief in the stability and growth of the economy.
- **Carry through on the local level** in cities where you have plants or major distribution outlets, and blueprint the local effect of your expansion.
- **Consider timing carefully.** The right statement at the wrong time is worse than no statement at all.

As one prominent business leader says, "Confidence up and down the business line—on the broadest possible front—is essential to maintain a healthy economic condition. Every expression of optimism, made with sincere motives and backed by action, will lead eventually, directly or indirectly, to greater sales." ■



West coast realtor Fritz Burns: he thought up the OHI promotion



OHI's director John Doscher: his job is to run the OHI promotion



Housing Administrator Albert Cole: he bestowed Federal blessing

Now getting started, OHI can easily become a . . .

Bonanza for marketers

- **The promotion to improve your home this year is already nationwide.**
- **Few marketers should find it hard to tie in with OHI.**
- **Already, publicity for the promotion is all but astounding.**
- **And now local ads from builders and others push it still further.**

THIS year Americans are expected to pour between $8,000,000 and $10,000,000 into fixing up their homes (last year 40% of home owners spent not a penny on the job). The spark behind such hoped-for liveliness is a sprawling, government-endorsed promotion, called Operation Home Improvement.

OHI is precisely what it sounds like: a mass promotion to spur individuals to fix up their homes during 1956. Underwritten (so far to the tune of $150,000) by members of benefiting industries, it has but one incentive: profit. The other benefits—sociological, economic, etc.—are by-products, but serve to enlist help from civic-minded groups.

➤ **OHI's birth is easily explained by a look at a couple of sets of figures: housing starts have stayed at the same level for the past five years, with evidence of decline this year.** As assistant housing administrator William A. Ulman, an OHI bulwark, states: "OHI is a plan to give builders and suppliers a chance to keep on an even keel. It will also keep labor working if there is a decline in housing starts. Those engaged in repairing older houses won't make the profit they made on new houses, but it certainly gives them a chance to keep going."

The other figures give OHI a running start: of the nation's 50,000,000 homes (last census), 10,000,000 are in slum areas, 20,000,000 are in need of repair, the rest are in fair to good shape. Almost 30,000,000 homes in the country haven't been painted in 10 years; 13,000,000 have no bathtub or shower, 7,000,000 have no kitchen sink, another 7,000,000 have no running water.

➤ **Credit for the OHI idea goes to west coast realtor Fritz Burns, a prominent figure in OHI's parent, but now unrelated, organization, ACTION (see box).** Burns, with a fragmentary idea, went to U. S. Housing & Home Finance Administrator Albert M. Cole, who immediately started the ball rolling. The U.S. Chamber of Commerce blessed the idea, too—paving the way for the needed aid of private industry.

As the result of a series of meetings with interested industry leaders and C of C members, a central co-ordinating office was set up last fall in New York City. John Doscher resigned from Life to run the promotion, and OHI was in business.

Doscher's office must accomplish several things, though, before the promotion has a chance for full success. It must convince the building industry that the vertical promotion is a worthwhile one that will help everyone. This seems to be near accomplishment, as evidenced by participating companies (Weyerhauser Sales Co., U.S. Plywood Corp., National Gypsum, United States Gypsum, etc.).

It must also convince members of the building trade, who would rather build new homes than repair old ones, that home improvement is a lucrative and worthwhile venture. The attitude of one lumber dealer is typical: "Naturally," says he, "we would prefer to sell lumber for housing starts than get involved in something like OHI. It's a quicker, easier transaction, a bigger sale. In home improvement, I'd have to draw up additional measurements,

run into unexpected cost items—all in the course of finishing up somebody's attic."

➤ **Doscher and assistant director Don Moore are not themselves directly concerned with the consumer, but concentrate efforts on three levels:**

• On a national level, they act as liaison between the government and industry. They seek financial and moral support from national advertisers. They scout for editorial space in national magazines. They serve as an OHI information center.

• On a local level, they aim for a concerted home improvement effort from local companies, dealers, banks, etc., usually working through local chambers of commerce.

• On another local level, they move to persuade the retailer himself to go whole-hog into the promotion. For the retailer, OHI prepares a promotion kit, available for $5, which contains advertising suggestions and point-of-sale material. (OHI does no advertising itself, does employ Communications Counselors, a McCann-Erickson subsidiary, as public relations counsel.)

➤ **OHI had a grand send-off January 16 at a luncheon meeting in Washington, when President Eisenhower (via administrator Cole) officially designated 1956 as Home Improvement Year. Since then, the program has gathered impressive momentum.**

Co-operation from the press, for example, is little short of astounding. Front page newspaper editorials sporting the OHI seal are not unusual. Several national magazine publishers —Time, Inc., McCall Corp., American Home, Popular Mechanics, House Beautiful—are financial underwriters of the promotion.

Editorial features have run in a raft of magazines. Better Homes & Gardens is running a year-long contest on home improvement. House Beautiful devoted its entire February issue to the OHI promotion. Satevepost is not only covering home improvement editorially, but has developed dealer display kits available to retailers at cost. American Home ran an OHI feature, as did Collier's, House & Garden, Household, Look, Mechanix Illustrated, Sunset.

The business magazine, Home Improvement, which is pushing the promotion hard, reports a 72% advertising increase in its March issue. Naturally, comments OHI's Don Moore, all magazines can't expect that great an increase, but they can expect some.

➤ **OHI's ultimate success, of course, will be on local levels. One example of what's happening on that level: in Oakland (Calif.) both civic-minded and profit-minded groups have banded together to plan an OHI program.** With the Chamber of Commerce sparking the project, an executive committee is at work to establish some sort of package plan, whereby the consumer can buy home improvement in one big bundle. The executive committee also runs a central information service, where contractors and dealers can obtain advice on how they can benefit from OHI.

A publicity committee also functions

Rehabilitating neighborhoods thru ACTION



ACTION's Myerson

The American Council to Improve Our Neighborhoods (ACTION) is basically an altruistic effort by business leaders to clear up an American plague: slum areas.

The movement—nonpolitical, noncommercial, nonprofit—actually has two goals: first, to eliminate or replace all slum areas; second, to prevent formation of slums.

ACTION was conceived in early 1953 by a group of interested parties (home builders, housing supply manufacturers, bankers, etc.) led by Time, Inc., president Roy Larsen and Life publisher Andrew Heiskell. With Heiskell as head, the group by 1954's end had raised $400,000 for operational expenses. Major Gen. Frederick A. Irving, one-time West Point superintendent, became ACTION's first chairman (he resigned last month). Executive director is Martin Meyerson, the University of Pennsylvania's associate professor of city planning.

ACTION, as an organization, does not attempt to move into local areas to solve particular problems. Rather, it is a catalyst, functioning mainly through these three divisions:

• Research division, which compiles facts and information on the sociological, legal and financial aspects of housing problems. "Reports from ACTION" are published by this division, provide information for civic leaders and other interested groups on the local level. Examples of ACTION's reports:

American Housing Statistics: Condition, Supply, Demand; Sources of Aid to Community Development & Improvement Programs; Case Studies of Baltimore and Philadelphia.

• Information division, which acts as supplier for all information compiled by the Research division. Its biggest job is to prepare a national education program to alert individuals to the housing problem. The division has received help in this quarter from the non-profit Advertising Council, which has taken ACTION on as one of its major projects.

• Through its Field Service division ACTION staffers get put into the field to help city planners on a local level. The division divides the country into seven regions, where staffers work with local groups at all times, providing special advice on housing research techniques, code enforcement, legislation, community organization, etc.

ACTION's goal, of course, is a long range one, and one that ACTION officials clearly realize is not easily attained. All the emphasis cannot be placed on slum clearance, even though that is the ultimate goal. New slums will develop quickly, say ACTION heads, if salvageable homes are not protected and repaired, but are allowed to sink into the slum category. Operation Home Improvement, by banding together those industries which are most interested in turning home improvement into a major industry, maintains that it, in this way, helps the work of ACTION.

How effectively ACTION is working is difficult to ascertain. It has estimated that at least $100 billion dollars must be poured into neighborhood rehabilitation within the next 10 years. ■



This is OHI's insignia which you should soon be seeing everywhere

extremely well, has already won support from The Oakland Tribune's editors and advertising manager (there'll be a special OHI edition on March 25). First results of all the bustle in Oakland will be a Home Show, run by the Home Builders Assn., that will tie in with OHI. Building Marketing Week will also coincide with the show, and 3,500 material suppliers from 11 western states will be in Oakland to hear OHI's story from OHI's Doscher.

➤ **Clearly, OHI starts off with advantages such as few promotions have had. There is an obvious need for such a promotion. Both the industry involved and the government go for it. The press has a clear financial stake in seeing that word of it spreads.** About all that OHI seems to need is local leadership to capitalize on local enthusiasm. So far, the signs are hopeful.

The Middle-Atlantic Lumbermen's Assn. (a branch of the National Retail Lumber Dealers' Assn.) ran clinics at its recent annual convention showing dealers how to estimate home improvement needs and institute home improvement programs. Says the group's Glen Simon: "Our idea was to show how home improvement can be sold and how it can be estimated so that the dealer makes his profit and doesn't have to re-estimate and annoy everybody."

Another effort to spark OHI on the local level comes from Sears, Roebuck, whose general merchandising & retail sales manager Fred Hecht is on OHI's executive committee. Each of Sears' 700 retail outlets now has an OHI information booth to offer consumers home improvement advice.

OHI's Don Moore adds that local advertising by builders and related industries is reaching what he calls record proportions. ■

the WOMAN'S VIEWPOINT

By Dorothy Diamond ®

Convenience vs. quality

The boom in frozen heat-and-eat items is all the more remarkable when you consider that the majority of these foods are seldom eaten with pleasure but are usually tolerated as expedients. After numerous unsuccessful samplings, this columnist wonders whether convenience has to entail such a drastic sacrifice in quality.



As was pointed out in a recent issue (**Tide**—January 14), competition has caused a sharp drop in both price and meat content of meat pies. Having heard women compare notes on the merits of different brands, and knowing that they want something better than a few pathetic pieces of chicken or beef suspended in a gluey gravy, I think there may be room for an upgraded product which would be sold and advertised on the basis of quality.

Most of the Italian and Chinese "delicacies" are so miserable that I marvel how they have managed to survive at all. Is this an inevitable result of the freezing process? There is evidence to the contrary. Luchow's specialties and Maxim's sauces show that excellence can be achieved, admittedly at luxury prices. Campbell's and Crosse & Blackwell's pre-frozen soups are good examples of top-notch products at more moderate cost. Granted that there are serious marketing problems in this area, let's hope for more items blessed by the twin virtues of ready-to-heat and good-to-eat.

Dixie Cups go from health to highballs

What a long way paper cups have come in the last half century! They were first manufactured to overcome a serious problem. In 1908 a health officer set off a scandal when he put glasses used in a public place under a microscope and found that they were covered with a profusion of germs. Soon afterwards State Boards of Health forbade the use of unwashed and unsterilized receptacles in public places.

In 1910 the Dixie Cup Co. was formed to meet the need for a safe, individual drinking cup. Appropriately enough, the first product was called a "Health Kup." To give it more popular appeal, several years later it was rechristened the "Dixie Cup," a name that instantly clicked with the public.

In 1924 the company moved into a new—and extremely profitable — venture with ice cream packed in Dixie Cups. Since then the cups have been tailored for many special purposes —including hot drinks, home freezing and commercial containers for food—and are used in an enviable variety of places ranging from airline terminals to vending machines.

As its latest innovation, the company has processed Dixie Cups for alcoholic drinks and is test marketing them in a few large cities, with special sizes for highballs, cocktails and old-fashioneds. Whether they make a hit with modern hostesses remains to be seen, but the claim that they will "enhance your entertaining" is a striking departure from the original emphasis on health.

Unusual bank ads

The fun of saving for a luxury fur headlined a recent advertisement by a Federal Savings & Loan bank urging suburban women to open an account. A box of mistletoe was offered by the same bank to anyone who stopped in during Christmas week. "You'll find us buzzin' with kissin' cousins" strikes a note of frivolity all too rare in banking circles. The result? An ad that probably drew better readership than the usual stodgy pronouncement.

How it's said

Happiest appellation I have come across for the imitation beaver and mink coats made of Orlon and Dynel is "fiction fur" . . . a phrase used in a Ford commercial that probably will become a staple in our vocabulary is "door-to-door carpeting" . . . a local liquor dealer urges customers to telephone him "when low in spirits" . . . and Mont Tremblant Lodge lures us with the promise "so near and yet so foreign."

The nation's top marketing executives reveal . . .

Marketing strategy changes in 1956

- **42% of Tide Leadership Panel plans major changes this year.**
- **Most of these involve changes in distribution patterns.**
- **The reason: marketers want more volume in 1956.**
- **Here's the story behind this year's marketing plans.**

IF THE nation's leading marketers carry out their present plans, the distribution systems of many major U. S. companies are in for some critical reviewing and overhauling during 1956.

This is evident from a survey of the **Tide** Leadership Panel of advertisers, agency and public relations executives. A healthy 42% of companies represented on the Panel plan some kind of marketing change this year. And of those planning changes, most will be made to streamline, expand or change their distribution system. Other changes reported by the Panel range from a price-rise to "a complete marketing overhaul."

➤ **Although not one Panelist specifically mentions it, it's obvious most of them feel there'll be an even tougher fight for a share of the consumer's dollar in 1956 than last year.** And while they don't foresee a major recession on the way (**Tide**—January 28), they admit marketers will have to fight harder in order to hold their present market positions.

Individual reasons for the changes vary, although in most cases the obvious objective is to increase sales volume (as the ad manager of an appliance company explains, his company will concentrate on "selling volume — through new outlets—and concentrate less on profit margin"). But others are instituting new marketing programs aiming directly at a definite share of market, or simply a desire to make the marketing operation more efficient.

Plans for changes in every phase of marketing — marketing research, product & package design, pricing, advertising, trade & public relations, distribution—are mentioned by one Panelist or another, but the ultimate goal in each case is improved distribution. Says the advertising manager of one leading midwestern firm: "We're re-doing our package to go into supermarket distribution; a brighter, more eye-catching label is impressive."

➤ **Many marketers are more interested this year in consolidating the more important outlets they now have, to strengthen their hold in existing markets.** Marvin Davis, ad manager of I. Miller & Sons' wholesale division, is typical. Says he: "We are now conducting a survey to determine percentage of volume of our distribution. In this way we'll be able to strengthen our market where needed."

Other Panelists are striving to reinforce their distribution patterns by strengthening the sales force. Arthur R. Tofte, advertising press department manager of Allis-Chalmers Mfg. Co., put it this way: "Industrial marketing is certain to concentrate its efforts on direct sales aids for salesmen, because salesmen need help to cover the growing market and to meet increasing competition."

P. W. Nickel, ad manager of Bissell Carpet Sweeper Co., also stresses the strong sales force, states his company plans a "re-alignment of sales territories, more factual quotas with better merchandising of our advertising and publicity." In this way, says Nickel, "we can improve sales, profits and secure greater effort on the part of our sales force."

R. E. Johnson, vice-president, United Air Lines, is one marketer who sees clearly the course airlines must take to maintain a growing share of their growing market. Says Johnson: "We must increase the quantity and competitive quality of our sales and advertising program in recognition of the steadily increasing competitive character of the air transportation field and the greater need to sell the consumer."

➤ **Air transportation isn't the only field with a clear-cut marketing problem. Many insurance executives on the Leadership Panel plan to face the problem of drawing customers by going whole-hog on increased consumer advertising budgets.** As the advertising vice-president of one large insurance company explains, it's becoming "more & more important to emphasize stronger consumer identification for the company and its agents—thus, stronger consumer advertising."

The fact that advertising agencies



Marketers' biggest 1956 goal: to increase distribution outlets



They're considering price cuts to make sure of volume sales



Another trend you can expect: "More on-the-spot research"

must expand into marketing agencies is readily acknowledged by both large and small agencies, and agencymen on the Panel plan to go even further toward offering clients marketing help. Says W. H. Long, executive vice-president of Hutzler & Long: "In our service, we're going to stress our principals' merchandising and public relations, and soft pedal the conventional agency puff, because most companies need and are more interested in an agency's business know-how and ability to interpret a client's policies to its public than the mere ability to write ads."

Larry Schwartz, president of New York's Wexton Agency, agrees, goes even further: "We are enlarging our radio-TV department, instituting a publicity-public relations department, and are substantially enlarging the distribution and marketing consulting facilities we offer our clients."

Another agencyman on the Panel, Everett D. Biddle, president & general manager of the agency bearing his name, states that his agency plans to do "more area map work with our clients to assure that our advertising follows the distribution patterns." Why? Agencymen agree: it helps to attract new accounts, as well as keep the old ones "in the house."

Here are changes planned by other marketers on the Panel, and the reasons:

• **Harold C. Ellicott, M & M Woodworking Co. ad director:** "We're planning a concentration of effort on home improvement and industrial business, a concentration that was previously directed at new home construction, but there is a drop in housing starts due to tightening of mortgage money. We hope this will take up any possible slack in business."

• **David H. Grigsby, merchandising manager, Hotpoint Co.:** "We're planning more emphasis on customer-use benefits for our products, less on features which provide those benefits. In short, we've decided to concentrate more on what a product does, rather than what it has . . . in order to get away from what has been something of a stereotyped approach in the appliance business.

• **Mack Rapp, vice-president, Detecto Scales:** "There will be more advertising, more thorough merchandising campaigns, more research of marketing potential for us. We're making these changes because of expansion of our lines and to gain a greater share of volume.

• **Paul L. Penfield, advertising supervisor, Detroit Edison Co.:** "We're concentrating on development of our own appliance advertising campaigns instead of reliance on manufacturer's campaigns, because of a dilution of the manufacturer's efforts in our particular direction (both ideologically and geographically). This way, we'll have more concentrated campaigns in our area.

• **Nathan E. Jacobs, president, Bozell & Jacobs:** "A more down-to-earth marketing approach than ever before is necessary for our clients, with greater attention to local market programs." ■



There'll also be more promotion to make brand names better known

Time to retire



For the nation's top marketing executives, retirement will mean one of four things: travel folders, fishing rods, garden tools or typewriters. According to the **Tide** Leadership Panel, when they get around to retiring, these leading advertisers, agencymen and public relations executives will either take to traveling, fishing, gardening or writing the great American novel.

Most of the marketers on the Leadership Panel plan to retire around the normal retirement age:

• 42% expects to retire between age 60 and 65.

• 35% plans to retire sometime after age 65.

• 17% hopes to quit between ages 55 to 60.

• Only 6% plans to retire before they reach age 55.

While most Panelists plan to devote their lives to fun after retirement, about one out of four hopes to do some sort of consulting working and another large group hopes to run small businesses.

Those executives who plan to devote their time solely to hobbies look forward to (in addition to fishing and gardening) reading, painting, sailing and photography. More than few want to devote themselves to "loafing and relaxing."

How will the typical marketing executive get along financially after he retires? About 70% of the Panelists have annuities to provide an income after retirement; 10% can count on company pension plans investments in stock and real estate, and Social Security. The remaining 20% hasn't yet made any plans for retirement income.

The average executive, a survey of the Panel reveals, will live on about $800 a month after he retires. Almost one-fourth of the Panel expects to have an income as high as $2,000 a month; a lucky 5% looks forward to a retirement income between $10,000 and $25,000 a month!

Although most Panelists haven't planned specifically for retirement (except in terms of income), many are thinking of developing hobbies now for full-time attention after retirement. Many urban members of the Panel, yearning for a farm, have already bought one "far from Madison Avenue and Michigan Boulevard." Other marketers who look forward to writing after retirement are already preparing research for their books, articles, novels and even plays.

Several executives are now making contacts for the consulting work they plan to do after retirement. Many have started constructing small homes in places they've selected as "more restful." A few are taking adult education courses to learn more about their hobbies. One marketer is preparing himself for retirement by a simple but probably effective method: "getting used to the idea." ■



After Roger & Gallet hired . . .

Marketer Buckalew: sales rose 41%

- **After a nine-year dip, sales turned back up last year.**
- **Roger & Gallet's Robert Buckalew says one reason is hard work.**
- **Another is his five-point marketing plan to boost sales.**

"NOW I'm battling my own figures." That's how 35-year-old Robert Buckalew, marketing vice-president of Roger & Gallet, a small cosmetics firm, looks at the 78% sales increase the company chalked up this January over last. Buckalew, who despite his comparative youth has had considerable executive experience (Richard Hudnut, Sneffel Bros.), joined Roger & Gallet early last year to run its entire marketing.

The firm, founded in France in 1806 and still a family business, reached its sales zenith in this country in 1945, thereafter began a slide downhill that ended only a few months ago. Sametime, the cosmetics industry had doubled sales. Buckalew, hired to send Roger & Gallet sales back up, says 1955 sales rose 41% over 1954. His target: send 1956 sales 100% over 1954's. January's happy figures give Buckalew, ebullient to begin with, reason for his optimism.

➤ **When Guy Rocherolle, president and fifth generation of his family to run the business, hired Buckalew, he created the job for him—Roger & Gallet had never had one man in over-all charge of marketing before.** Buckalew explains his job this way: "I'm in charge of the goods from production until the customer says, 'I'll buy it.' "

When Buckalew came to Roger & Gallet he did so because he believed that the company, despite its dismal sales decline, had several hidden assets that could be capitalized on: 1) good reputation with both the trade and consumers; 2) quality merchandise.

Buckalew claims he hasn't done anything that was really new, merely many things Roger & Gallet had never caught up with. As for the 41% sales turn-around, he comments: "When people ask me how I did it what can I tell them? I did it by hard work." But behind Buckalew's many individual moves is a marketing strategy that embraces five main features.

- He doubled his field sales staff.
- He streamlined product lines, began to concentrate on the volume items.
- He raised the prices on volume items, without worry about immediate loss in sales.
- He began turning out the special promotions that are the life-blood of a cosmetics business.
- He adopted an advertising strategy that goes after definite objectives in an ordered manner.

➤ **When Buckalew came to Roger & Gallet all salesmen received a straight salary. They still get the same salary, but they also get a commission based on increased business.** Another part of his plan to build up his sales staff: Buckalew takes on young men in marginal territories. He points out to them

that they've got to work hard, making clear that they can't do the job the company expects unless they work on Saturdays, too. "After all, there are 52 Saturdays a year, and a man who writes $300 every Saturday is coming up with $15,000 worth of business that we wouldn't have otherwise. In this business you've got to do a lot of pounding with shoe leather to add up to real money." Buckalew puts each junior salesman under the wing of an older hand, who gets a small commission on the younger man's sales. "That way, I've got someone else worrying about the kid's making out."

➤ **Buckalew feels that any marketing man should first and foremost be a salesman. "The key thing about a salesman is his enthusiasm.** After all, a man is out in Kansas City all by himself. If his accounts aren't buying, he's got no sales manager at his elbow to give him a pep talk. He's got to give himself his own pep talk. He's got to step into the next account and act as though the world is rolling right down his street."

Buckalew's salesmen sell all the outlets in their territory—the department stores, the drug chains, the drug wholesalers and the independent drug stores. Roger & Gallet is just beginning to crack the syndicates. However, Buckalew had to hire a special man to do the job—which for the most part has to be done in New York City, where the headquarters or the buying offices of 70% to 80% of all such stores are located.

Buckalew, himself, is on the road nearly half the time, mainly selling large accounts. One of the main tasks he has given himself is the reactivation of big accounts that once did business with Roger & Gallet, but have since become dormant.

While revitalizing his sales staff, Buckalew took a long look at sales by product lines. He found that while he had more than 150 items, 75% of the volume came from four basic lines. He lopped off some 50 of the slowest items, kept the rest, but decided to concentrate the bulk of his attention on the four main products. The four: Lip Ade, a lip balm to protect lips against chapping, sachets, which are powdered perfumes, soap and cologne.

➤ **Then Buckalew decided to change prices. Raising them would give the company more profit and the retailer more profit, too—the latter definitely a move to cement relations in the trade.** Lip Ade's new price of 35¢ makes it higher than its two major competitors, Chapstick at 29¢ and Lip Ice at 25¢. But Buckalew claims there is enough snobbishness in the average person for the higher price actually to create sales. When it came to soap, which had been selling at three cakes for $1.69, Buckalew upped the price to three for $2. Colognes, which had been priced at $2.25, moved to $2.50.

Today, when Buckalew prepares special promotions on his products, price is one of the things that takes a trimming. One typical promotion: the regular three-ounce bottle of cologne is packaged with a specially prepared one-ounce bottle. Since the three ounces sell regularly for $2.50, the one-ounce is valued at $1. Both are sold in a special package for $2.50. If after sampling the one-ounce size women don't like it, they may return the three-ounce bottle, get all their money back. "Of course, they never do," comments Buckalew.

➤ **It's promotions such as these that make Buckalew spend a good deal of his time on packaging, since the package is the key to the display.** Packaging also helps Buckalew win more distribution for his regular lines. For example, few department stores wanted Lip Ade at the low (for them) 35¢ price. But by designing a special package that holds three Lip Ades and by also designing a plastic counter dish to push impulse sales, Buckalew gave department stores an item they could sell for $1.

Lip Ade also was the item that enabled him to get into the Woolworth, Kress and Kresge stores—a feat he managed four months ago (Lip Ade is now in 100 of the 2,000 Woolworth stores).

➤ **One hardly thinks of cosmetics today without also thinking of advertising. But Roger & Gallet was distinguished in the immediate years before Buckalew took over by its indifference to advertising.** Buckalew set about reorganizing advertising with this basic policy: "Always sell an idea."

The "idea" he sells right now is this: the more the retailer does to move Roger & Gallet merchandise, the more Roger & Gallet will help, too. For example, it has a deal with the Thrifty Drug Co. (Los Angeles) whereby Thrifty is the official sonsor of TV spots promoting Lip Ade. The terms of such deals vary; if retailers push Roger & Gallet products in stores to an unusual extent, the firm will pay 100% of the costs of the "co-operative" ads.

Buckalew also tells the trade that Roger & Gallet is alive again. The company had neglected trade paper advertising, but is now in Drug Topics on a regular schedule. The next ad move: a print campaign directed at consumers. Fashion magazine ads are now in the works featuring Blue Carnation cologne and using the Eiffel Tower as background to spotlight the French character of the firm (via Dowd, Redfield & Johnstone).

Buckalew counts on continuing aggressive promotion, knows he will need some new products, especially when he goes after the supermarkets. Such products, he hints, will soon be forthcoming from the rejuvenated Roger & Gallet. ■



Roger & Gallet's marketing vice-president Robert Buckalew: this year he expects sales to rise 100%



Many marketers use spot TV to launch new products. One recent example: Lever Bros., which introduced Wisk with spot commercials like this one in 20 midwest markets.

Trends to watch in spot TV

- **The medium is now growing faster than network television.**
- **One chief reason is a new attitude about it by many marketers.**
- **Some marketers keep spot station "networks" the year-around.**

YOU can't generalize about national spot television—the use of local stations by national advertisers. But you can be sure about one thing—its spectacular growth. Estimates of 1956 billings run as high as $317 million, compared with an estimated $236 million last year. After equaling about half network television's growing dollar volume for two years, spot this year may come to almost 75% of network time sales. If spot hits such a figure, it will be the result of these current trends:

• **Because of the generally tight nighttime situation in the most desirable markets, the gain in the medium is from daytime spot.** Avery-Knodel, station representative, thinks national daytime spot will reach $70,000,000 this year, from network advertisers, accounting for almost one-third of national spot billings. On the 13 stations it represents, daytime business this year is up 63% for spot announcements and 228% for sponsored daytime programs.

• **Some national spot schedules now rival network lineups.** Top example of this trend is Carnation Company's 140-market sponsorship of the CBS-Syndicated film program, Annie Oakley (its Albers division uses 129 of the markets, its fresh milk division 11). This almost equals the 145 markets reached by Carnation's network show — CBS-TV's Burns & Allen, which it shares with General Mills.

• **The use of syndicated film packages, which make star-studded shows economically available to smaller advertisers.** Samples: Falstaff Brewing's Celebrity Playhouse (produced by Screen Gems) and Bardahl Oil Company's Confidential File (produced by Guild Films). Syndicated film shows, clearly, are pulling audiences — CBS Film's Annie Oakley, for instance, runs ahead of network competition in five markets. (Ratings comparisons are different since a syndicated spot show often is not programed at the same time of day in every market.

• **Marketers are changing their views toward national spot.** More & more advertisers now make spot a basic, integral part of their over-all advertising strategy, rather than an addition to it. They find it has the inherent advantages of flexibility (you can get in & out quickly); selectivity (you can pick your own coverage points); adaptability (you can gear your campaign to seasonal or weather conditions, news events); control (you can film your commercial message just the way you wish); program position (you can often spot your commercial next to a highly rated network program).

➤ **Perhaps this changing view of national spot television is its most important trend.** Philip Morris, for example, after withdrawing from I Love Lucy, returned to television with a heavy spot schedule. Its new spot schedule reaches fewer than half the 140-market total of Lucy, but hits those fewer markets with greater frequency. National spot lets us concentrate, says Philip Morris brand supervisor Tom Christensen, on "the bigger markets where the bulk of our business is. We'd rather have five spots a week in those markets than one a week in 50 markets."

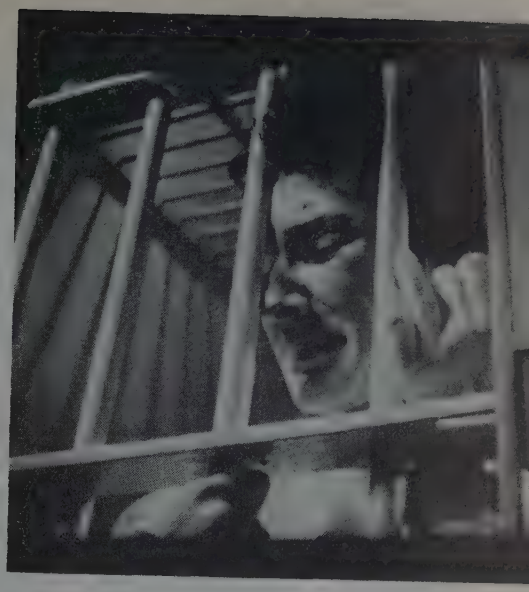
Philip Morris' switch to spot ads, interestingly enough, results from PM's switch from a one-brand outfit to a three-brand operation (also Marlboro and Parliament). PM, in short, must push three products, and a network show apiece, which it believes would be required if network were to be used, simply costs too much.

This does not mean that PM gives up on network. "There will come a time when each of the individual brands will be able to have a budget which will support its own show."

Incidentally, while PM spends less over-all on television now, total time tabs for its Philip Morris and Marlboro brands are bigger than before. The total television cost is less because PM no longer pays talent and production fees for a program.

Many network advertisers who have alternate-week or even less frequent sponsorship now find spot the answer both to the coverage and the frequency they feel they need, but don't get, with such network use. Hazel Bishop, for one, tries to place spots on stations other than those carrying This Is Your Life (which it alternately sponsors on NBC-TV). Similarly, Dodge, with all its network shows on ABC-TV, tries for spots on non-ABC-TV stations. Oldsmobile places its 15-minute Patti Page





Bardahl Oil Co. seeks prestige with a shocker film package

show in 108 markets twice a week. This gives Olds the frequency it feels it misses by sponsoring 13 NBC-TV spectaculars alone.

➤ **Many big network users such as Colgate and Procter & Gamble, on the other hand, use spot as a supplementary medium to give them added impact in their best markets.**

P&G's Gleem, for example, has no network show of its own, but receives exposure on most of P&G's vast stable of network shows. To get extra exposure, P&G runs Gleem spot schedules in cities where its I Love Lucy airs (plus 10 cities where Lucy is not seen), varying the frequency from a single night announcement to a high of 20 a week in New York City.

P&G is a chief user of a spot technique favored by more & more national advertisers: sewing up good spot time and keeping it. P&G may have four different spot lineups bought by as many agencies for different products. But it uses the time for any number of purposes—such as suddenly throwing all four lineups behind a single product to which it wants to give a big push.

General Foods is another big network advertiser using spot to supplement network. Like P&G, General Foods' Instant Maxwell House buys spot time always on the same stations in the same 60 markets, insuring that such time will always be available when needed. During special campaigns, the lineup may be temporarily doubled to 120 or more markets.

➤ **Contrasted with the national advertisers who regularly use spot TV is the "in-and-outer."** The "in-and-outer" takes advantage of the heavy turnover in spot schedules in March, June, August and December. B. T. Babbitt's Bab-O, for example, regularly moves in for six weeks and out for six weeks. It gets good schedules by moving in at traditional turnover times (one reason for the quarterly turn-over in spot is the seasonal user who must concentrate his sales efforts in certain times of the year).

Coty and Revlon, for example, run their heaviest spot campaigns in fall and spring. The cold remedies, such as Anahist, use spot to cut back advertising in parts of the country where warm weather arrives early and to continue in places where winter lasts a long time.

➤ **Finally, of course, there is the growing use of spot TV to introduce new products.** Lever Bros., for instance, now employs spot TV (plus spot radio and newspapers) to launch Wisk, a new heavy duty liquid detergent. Lever's spot TV schedule of 20-second and minute announcements) cover 20 cities, including the metropolitan markets of Cleveland, Grand Rapids, Indianapolis and St. Louis. Similarly, auto marketer's employ more spot to bow new models (e.g., Cadillac, Chrysler, Dodge, Pontiac).

Ford Motor Co. sets up dealer accounts in 35 different areas. "Our men make basic recommendations to the dealers and the dealer associations in these various areas," says J. Walter Thompson's Jack Reeser. "They make the decisions as to what they want to use." More & more want spot TV. In Philadelphia, the dealers have the Ford Film Playhouse (feature movies). In Detroit, dealers sponsor Badge 714 (reruns of Dragnet). Other areas use five-minute newscasts or weather forecasts five times a week.

Generally, spot experts expect auto makers to use more of the medium in the future. This, they say, will help bring spot to the predicted figure of $317 million in billings this year.

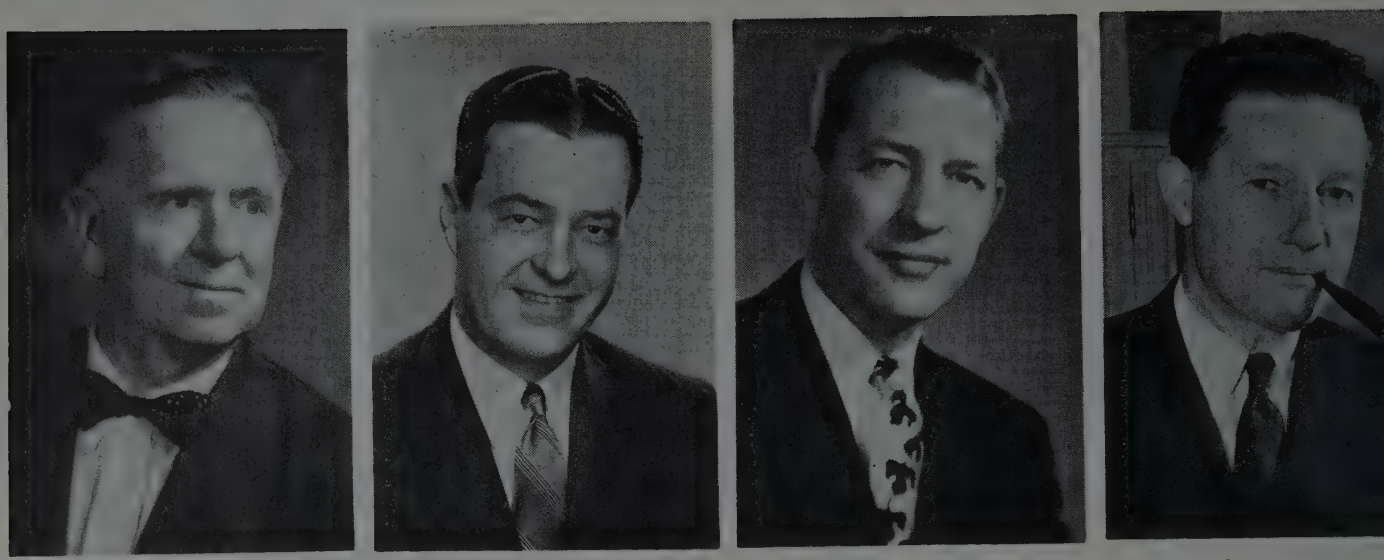
Meantime, the spot television business itself offers little help to advertisers interested in the medium. Surely, there is more valuable information it can give out than the boxcar figures it seems always to have right at hand. ■



Falstaff Brewing uses spot TV to expand into new markets

Oldsmobile uses spot TV to supplement its spectaculars





AMA speakers (l. to r.): Dr. William Stephenson, L. Byron Cherry, R. H. Jacobs, Dr. Vergil Reed

Needed: soul-searching marketers

- **American Management Assn. marketing meeting spotlights today's problems.**
- **Chief one is the need to keep the economy growing.**
- **That job is causing all sorts of upheavals in marketing management.**
- **Here are some of them you should know about.**

AMERICA'S mambo-paced economy calls for new marketing concepts—and marketers who don't get the new step right 80% of the time instead of 51% may be sitting out the dance.

That sums up three days of speeches and discussion by more than 1,100 of the nation's top marketers. They met this month in New York for a full-dress marketing conference sponsored by the American Management Assn. The meeting spotlights the growing realization among businessmen that marketing is fast becoming the "critical area of management."

Just how critical was made plain by Coca-Cola sales chief Curtis H. Gager: "The manner in which marketing management is performed is the key to the economic progress of the individual enterprise, and, even more important, to the economic well-being of the nation." A. A. Togesen, marketing head of BullDog Electric Products Co. (Detroit), put it another way: "Distribution is now industry's major problem. Our marketing revolution must equal our production revolution."

➤ **Speakers warned how production will run marketing a fast foot race in the next decade. Output per man hour is increasing 3% annually, and population is increasing at a far greater rate than the labor force.** Americans may number 190 million in a decade, "a gain of two Switzerlands and one Canada." The birth rate and life expectancy both will go up.

Key to finding new ways to sell this expanding market (and thus employ it) is recognizing the changing aspects of the market itself. Said Vergil D. Reed, associate research director of J. Walter Thompson Co.: "The old so-called 'class market' is moving into the mass middle-class market, too. And the mass market is no longer at the bottom of the income scale. America is rapidly becoming a one-class market with large and growing incomes."

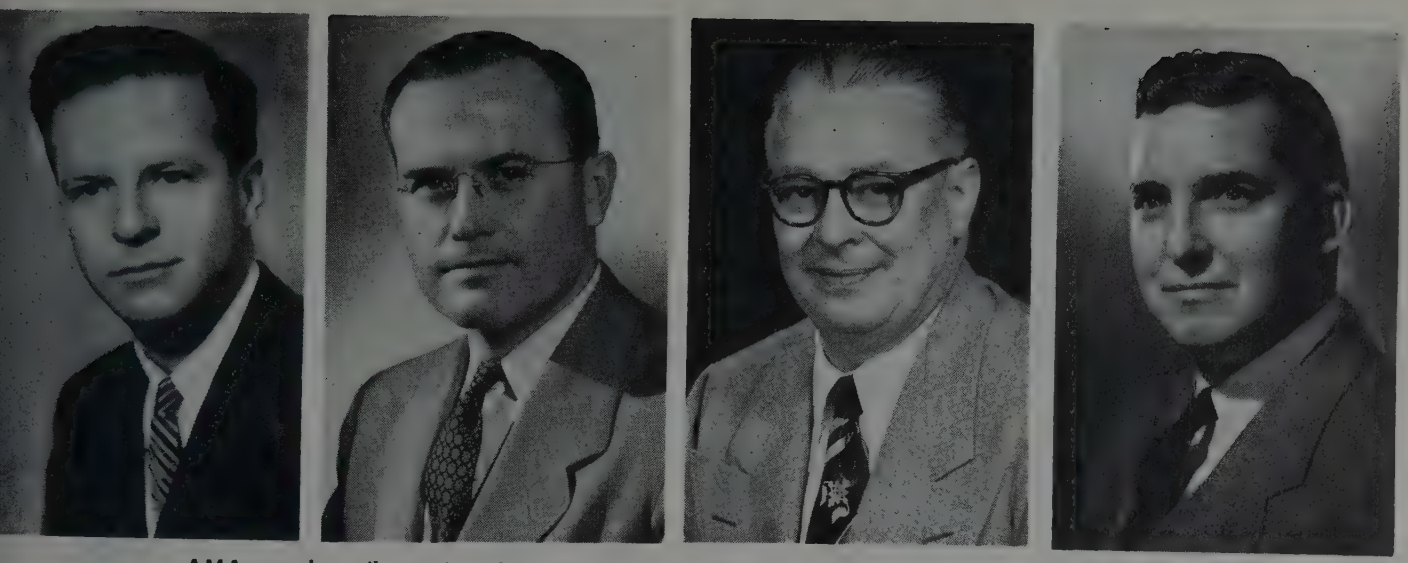
With the need to sell 21% more goods within three years confronting them, AMA's marketers explored new developments aimed to help accomplish that goal. Chief among them: more effective sales organization, with the sales manager evolving into marketing manager or product manager (see p. 31).

Organization's part in better marketing was made plain by management consultant L. Byron Cherry: "Organization can—and should be—the great simplifying tool of management in a dynamic business. . . . There is no better time to think about long-range organization than when sales are high. In the light of these very high levels of sales and production, we are in marketing need, in the interest of our individual companies and in the interest of the national economy, to make sure that we don't let our production capabilities get ahead of our distribution capabilities. This country's welfare, standard of living, ability to defend the free world and all that it means, depends upon the Siamese twins of mass distribution and mass production."

➤ **Structurally, Cherry said, there are three major ways to divide and group the marketing effort—functionally, by product line and—the most common—geographically.** But, he said, "we must not forget that the first syllable of management is **man**."

The reasoning behind the switch from the sales to the marketing manager—now policy at General Electric, Kraft Foods, American Telephone & Telegraph and other companies—was tersely put by BullDog Electric's Togesen: "Sales must become a part of marketing, not the same as marketing itself. Marketing must be introduced at the beginning rather than the end of the production cycle and integrated into each phase of the business. Thus marketing participates in design, engineering, manufacturing, product planning, production scheduling and inventory control as well as in sales, distribution and servicing."

Added Raymond A. Rich, vice-president & general manager of Philco's appliance division: "I believe that in the future the difference between a



AMA speakers (l. to r.): Robert W. Lear, Edward G. Gerbic, A. A. Togesen, Raymond A. Rich

moderately successful company and a very successful company will be the difference between a company organized on a departmental basis without over-all marketing strategy, and a company where the marketing elements are tied together as a team."

➤ **As for the rise of the product manager—R. H. Jacobs, home products division sales manager of Minneapolis-Honeywell Regulator Co., said: "He's so new there's no bibliography on him."** Jacobs deplored any urge to turn the product manager into "errand boy." "The man must be oriented to the customer rather than the company. Policies which are convenient to the production force are meaningless to the customer." Jacobs added, though, that product managers must also come into more contact with the production and cost accounting specialists.

Selling's new look was summed up by Johnson & Johnson's advertising vice-president Edward G. Gerbic: "Willie Loman is dead. Today's salesman must be better trained, more intelligent, and far more aware of sound selling procedures." Delwin Bergstrom, president of the George Master Garment Co., a division of Clarence Whitman & Sons, Inc., put it this way: "The day when we could send a salesman out with a pricebook, a salesbook and a prayer are done. We have to be more scientific."

➤ **Advertising's changing role under the new sales concept was also covered by Gerbic: "Advertising people must stop regarding advertising as an only child and management must stop considering it a step-child.** It is downright astonishing how often one overlooks the fact that the purpose of advertising and the purpose of sales are identical in the over-all corporate structure. We should never become so concerned with what produces good advertising that we overlook what good advertising produces."

The conference made clear that management must do more soul-searching about marketing, and at a faster pace than most U.S. businesses seem willing to do. The possibility that U.S. business might, for example, have to discard over-all distribution techniques whose only virtue is being "national" was sounded by Robert W. Lear, general marketing manager of American Radiator & Standard Sanitary's plumbing & heating division.

Said Lear: A survey he made to evaluate distribution patterns showed that each product manager and each district manager may need and want a different distribution policy. "Why not give everyone the opportunity to sell each product in each district in the most effective way?" But Lear cautioned that a policy of delegated management for field sales districts would also require a series of administrative controls to keep the districts in check and balance.

➤ **Not surprisingly, motivation research got a big play at the conference, though, unfortunately, its place as merely one of research's many tools was not made clear.** A closed circuit television demonstration of an actual depth interview showed one of the method's pitfalls: the customer doesn't always mean what he says, larding his remarks with inconsistencies.

According to Dr. William Stephenson, research director of Nowland & Co., which handled the demonstration, motivation research is still in a state of development, but it will continue to develop "because it always deals with the hard-to-get facts behind the actions and opinions of customers." ■

Words at work

- Feel a new car coming on?

—MARINE MIDLAND TRUST

- Everlasting gems for the evanescent moment.

—BLACK, STARR & GORHAM

- The Thunderbird's long, low thoroughbred lines say "action"! And they speak the truth.

—FORD

- By evolution and revolution, by plan and by prayer, by guess and by golly, man's informal age is here. Its shoes are characterized by a debonair air of casual good taste.

—TAYLOR SHOES

- So easy you can snap 'em on waiting for a stop light to change!

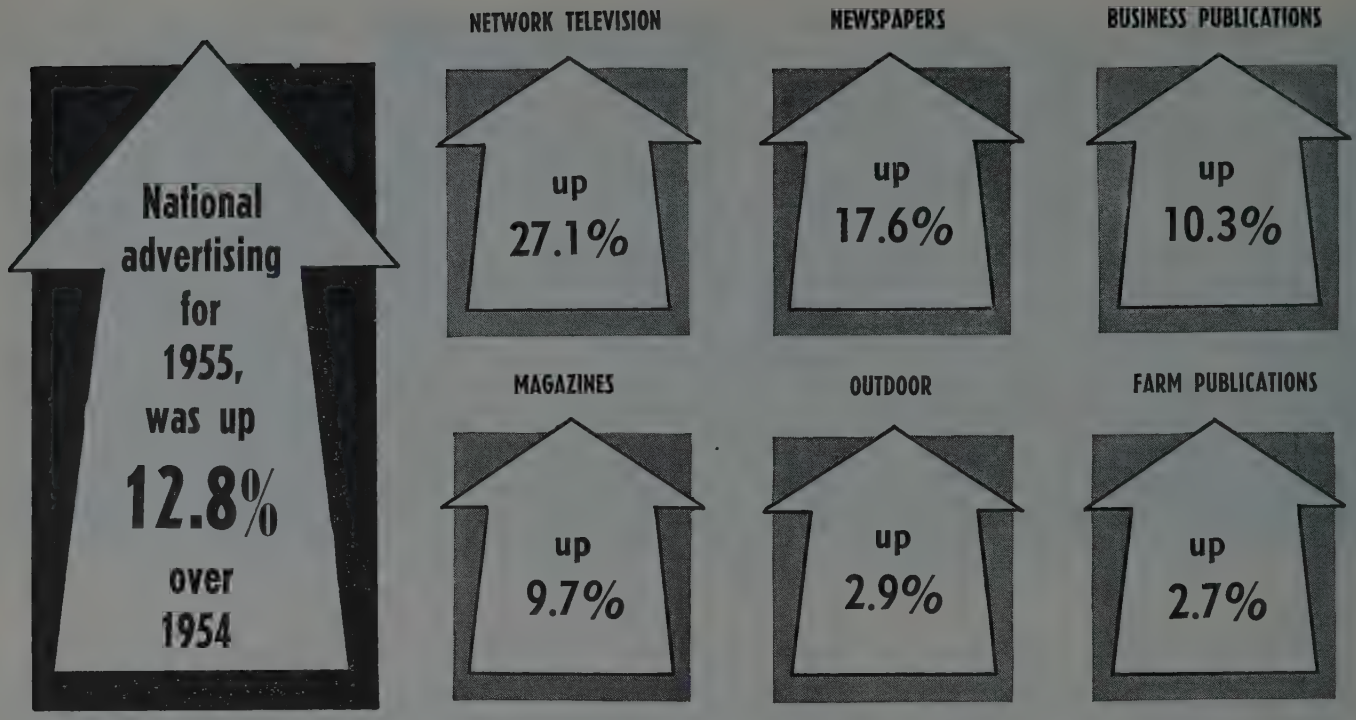
—KON-VEEN-YUNT TIRE CHAINS

- Above all, there is the gentle authority the piano holds for the child, pointing beyond distractions of the gadget age to strength and sufficiency in things of beauty.

—STEINWAY

- It's music to your taste!

—CARIOCA RUM



National ad volume hits $2.738 billion in 1955

IN THE U.S., especially in the advertising world, 1955 will go down as the Year of the Broken Record. Last year national advertising volume hit an all-time high, shattered the 1954 record by 12.8% and set new records in all major measurable media.

The **Tide** Advertising Index, prepared by J. K. Lasser & Co., reveals a new year-end Index high of 181.6 and a total, for all measurable national volume, of approximately $2.738 billion.

All six major media shared in the new record:

- Network television, as expected, recorded the most notable jump, a 27.1% rise from an Index rating of 250.7 in 1954 to 318.6 last year.
- Newspapers, despite the long strike in Detroit, climbed 17.6% above 1954, from 152.5 Index points to 179.3. While some of this added expenditure can be attributed to increased costs, most of it is due to a linage increase—up 13.7% over 1954. Automotive linage led this gain with a third more linage than 1954.
- Business publications revealed a notable volume jump of 10.3%, up from 163.8 points to 180.7.
- Magazines enjoyed a healthy gain in 1955, a 9.7% increase over 1954. Magazines' Index point standing went from 135.4 to 148.5.
- Outdoor and farm publications each accounted for small but significant rises in volume. Farm books jumped 2.7%, outdoor 2.9%.

All Index figures used in the boxes at right are based on a ratio of 100 equal to 1947-1949 average. The exception is television, where 100 equals the 1951 average. November to December percentage changes are not given due to a re-examination of the size and composition of the Index sample, after which December figures may require minor adjustments.

DECEMBER, 1955, VS. DECEMBER, 1954

	Dec. 1955	Dec. 1954	% Change
National Advertising	163.0	149.6	up 9.0%
Newspapers	148.7	129.7	up 14.6%
General Magazines	140.3	126.0	up 11.4%
Network Television	369.9	315.1	up 17.4%
Outdoor	122.5	125.4	down 2.3%
Farm Publications	86.1	88.5	down 2.7%
Business Publications	151.0	134.3	up 12.4%

DECEMBER, 1955, VS. NOVEMBER, 1955

	Dec. 1955	Nov. 1955
National Advertising	163.0	219.2
Newspapers	148.7	223.4
General Magazines	140.3	195.4
Network Television	369.9	365.1
Outdoor	122.5	159.4
Farm Publications	86.1	120.1
Business Publications	151.0	207.1

ADVERTISING FORECAST

FEBRUARY 16, 1956

Justice Takes a Look at American News:

If you advertise in magazines, you'll want to follow the newsstand distribution dispute closely.

Crux of the dispute is this: Union News Co., the newsstand subsidiary of American News Co., wants 1) a higher commission on some 17 major magazines distributed by S-M News Co. and 2) to receive them from its parent company, American News Co. Thus, S-M, if it distributes the 17 magazines that way, would be squeezed on its commission front by the portion American News would get the higher rate Union wants.

S-M charges that American is using its position as owner of Union News to impose "unreasonable" terms on S-M. Until the dispute is settled, the 17 books will be off Union newsstands.

The Justice Dept. admits it has been looking for some time into possible violation by American News of a consent decree signed last September. Crux of the decree was that American News may continue to own Union News so long as each runs its business in its own best interest.

The question that Justice surely has to decide is whether Union's demands are in its best interests or whether Union acted simply as a pawn of American News in an effort by the latter to gain distribution of S-M's 17 magazines.

An interesting sidelight is that if American News president Henry Garfinkle gets involved in any legal action, he'll have two completely incongruous lawyers at his side: former McCarthy investigating committee chief counsel Roy Cohn and his worthy television opponent, Joseph Welch. Both handle various phases of Garfinkle's legal affairs.

S-M, meanwhile, is busy with its public relations, is letting New York commuters know of its woes with carcards on all commuter trains into New York. Say the cards (via BBD&O): "Through no fault of this railroad" you can't buy S-M magazines at Union News Co. stands. It goes on to say "get them at your neighborhood dealer—he'll be happy to serve you."

Mutual to Guarantee Its Audience:

Mutual Broadcasting System is now offering something radio advertisers have wanted for a long time: a guaranteed audience.

Mutual's guarantee is based on Nielsen ratings of commercial-minute home impressions—and computed on the basis of weekly gross audience data.

If Nielsen ratings show the sponsor isn't getting his guaranteed audience, Mutual plans to make good the loss by giving additional commercial time in a similar program format which aims at the same-type audience.

Mutual's move is especially enticing to the contract sponsor, who signs up for long-term programing (39 weeks or more). One drawback: **Nielsen's rating system doesn't cover the entire Mutual network.** Mutual's backbone is the small station, often outside Nielsen-covered markets.

If the plan works, it will be a milestone—and may force other networks to adopt a similar guarantee.

Magazines Set New Ad Records:

For consumer magazines, 1956's first quarter looks like another advertising record breaker.

Monthly magazines which have closed their first quarters report new highs in ad linage and revenue. Coronet is up 30% over last year's ad pages, American Home 19.9%, Redbook Magazine 19.3%, Good Housekeeping reports ad revenue increased 22% over 1955's first quarter.

Sametime, reports Magazine Industry Newsletter, **six out of seven leading weeklies and bi-weeklies are running well ahead of the first two months of 1955.** Life show a linage gain of 33.8%, Look 13%, Newsweek 3.7%, Satevepost 16.4%, Time 12%, U.S. News & World Report 16.5%. Colliers is the only one showing a drop, down 7.7% in linage for 1956's first two months.

ARF Ratings Report Due Next Month:

It will be another four weeks before the long-awaited Advertising Research Foundation's report on Printed Advertising Rating Methods is available. **The report is ready to go and must now await approval from ARF's board before it goes to the printer.**

Originally scheduled for release last fall, **the report consists of evaluations of three methods currently used to rate magazine ad readership:** 1) Gallup & Robinson's aided-recall method, which measures number of people who recall an ad when given the name of the advertiser; 2) Daniel Starch's recognition method, which measures number of readers who remember an ad when shown it; and 3) reader interest method, which measures readers' interest in ads through written questionnaires.

The study, underwritten by 55 ARF subscribers at a cost of $100,000, measured ads in one issue of Life, took researchers three years to accomplish. It's based on probability sample of 12,000 interviews and 200 questionnaires.

An Advertising Switch for a Fabric Producer:

J. P. Stevens' entry into network television—as a "subscriber" on CBS-TV's Omnibus—is a major advertising policy change and **the first time a leading fabric manufacturer has dipped its toes into major network TV sponsorship.**

Reason for the change, says Stevens, is to sell the public on the basic product (just as leader Burlington Mills has done for years) rather than on Stevens' brand names (Mohawk, Utica, etc.).

Stevens hopes the institutional commercials on Omnibus will also sell the apparel manufacturer and retailer on featuring the J. P. Stevens names.



GROUND

Out of the bumps and obstacles of industry proving grounds come better, more effective techniques and design.

In the advertising-marketing field, only **Tide** offers the services of such a proving ground—where advertisers can test the effectiveness of their advertising techniques and campaigns with the top management readers of **Tide.**

Through Starch studies of **Tide's** advertising, advertisers get—**at no extra cost for the first study**—a valuable yardstick that helps them measure the effectiveness of their advertising messages.

Starch results show advertisers:

—How well did my ad "stop" the busy executive reader?
—How well was it read?
—How much was it remembered?
—Did readers associate the ad with the advertiser?

Many advertisers and agencies benefit by Starch-testing their ads in **Tide,** for proven Starch study methods help them improve their advertising techniques . . . and guide them to more effective promotional campaigns.

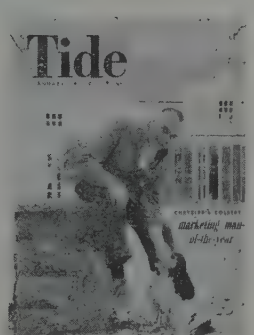
It's simple to test advertising in **Tide's** Advertising Proving Ground.

Alert your agency or promotion department to **Tide's** Starch-issue dates now. A **Tide** sales representative can tell you how to best use Starch studies to make your ads get more action!

1956 TIDE issues to be Starched

Issue	Ad closing
March 24	March 9
April 21	April 6
May 19	May 4
June 16	June 1
August 25	August 10
September 22	September 7
October 20	October 5
November 17	November 2

—an exclusive Tide service for the advertising-marketing field!



Tide . . . *the magazine for marketing management*

NEW YORK CHICAGO LOS ANGELES SAN FRANCISCO



Gardner Advertising and Ralston Purina Co.* reveal their technique for . . .

Selling to the farmer

- **Gardner Advertising set up its farm group two years ago.**
- **Its purpose: to keep a finger on the pulse of regional farmers.**
- **Its strategy: eight regional AE's who function in the field.**
- **Its results: effective ads for clients selling to farmers.**

EVER since advertising agencies started to involve themselves with a client's complete marketing strategy, divisions catering to specific markets have been rapidly springing up. BBDO has its Negro marketing division; Benton & Bowles has its pharmaceuticals division, other agencies have similar specialized operations.

➤ **Gardner Advertising Co. of St. Louis has its Farm Dept. account group, a division set up two years ago to serve a client who sells almost exclusively to the farmer.** It's a division that Gardner believes is unique, and services one of the largest, most highly complex specialized markets in the U.S.

Gardner, which bills $20,000,000 annually, developed its farm group for Ralston Purina Chows Division (also of St. Louis), number one feed company in the country (second place: General Mills). Today, although most of its work is still for Purina, the group serves other clients as well: Eli Lilly farm products and Doane Agricultural Service, and handles special projects for other clients (Gardner introduced Monsanto Chemical Company's new line of farm products last fall).

Bulwarking the farm group are eight regional account executives (called RAE's), specialists who serve and operate in local farm market areas throughout the country. The group is headed by vice-president & account supervisor John H. Leach, and also includes farm specialists in copy, art, media and other agency departments.

➤ **Leach explains the reason for such a divisional set-up, says "the farm market is really many regional markets."** For instance, selling Purina Chows, he says, to a western beef rancher, is a much different matter than advertising to a

*J. L. Sedwick, Gardner farm field director; Dr. Roland Bethke, Purina vice-president and research director; Maury Malin, Purina Chows advertising manager, and John H. Leach, Gardner vice-president and head of the farm account group.

chicken farmer in the south. There may be similarities in the rancher's and the farmer's household and his personal buying habits, but different techniques are needed to sell him the products he uses in operating his farm

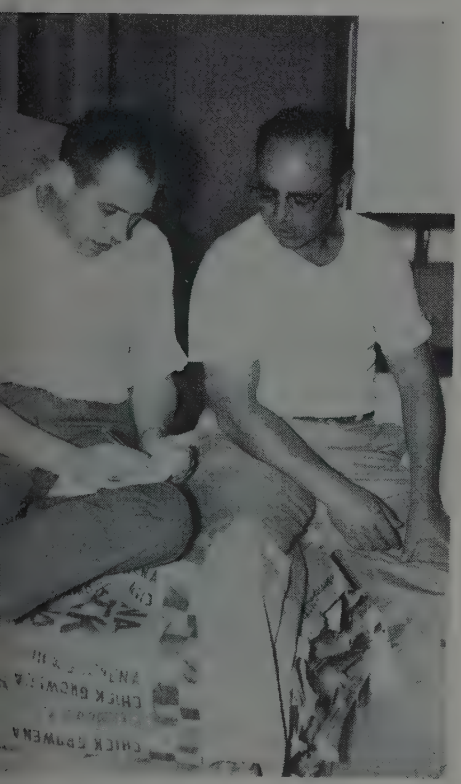
The RAE's, all with a farm-marketing - advertising background, spend their time with the farmer, the feed dealer and the retail feed salesman, not only as "market researcher" but as consultants as well. They can offer the farmer advice as feed experts, at the same time receive marketing advice from the farmer to bring back to the agency and the client. They also offer the dealer and the salesman promotional and sales advice, in turn learn from them what advertising themes appeals most to the farmer.

How the account group works on one level is explained by Maury Malin, advertising nanager of Ralston Purina. "One of our major expenditures," says Malin, "is our dealer cooperative advertising program. Here the farm group has greatly sharpened our attack. They have actually set up many advertising campaigns for key dealers, have advised many others and trained Purina salesmen to set up better local ad programs."

➤ **A typical project was one undertaken last month by RAE (for the Oklahoma and Texas regions) Marshall Smith, who visited Houston to introduce the 1956 dealer campaign for that area.** He first took up the program with Ralston Purina district salesman Gideon Briscoe and his staff, then, with Briscoe, drove 60 miles to Waller (Tex.) to gather testimonial material and pictures from a "feeder" (the farmer, rancher, etc. the ultimate purchaser of Purina Chows). The testimonial will be used in advertising for one of Purina Chows' products: Purina Cage Layena, Chick Startena, Chick Growena or chows used in the production of "cage layers" (hens confined in cages for commercial egg production).

The campaign, worked up by RAE Smith and approved by Malin, will be supervised by Briscoe. In the Houston area, 13 dealers will participate in the co-operative effort. Together, the company and dealers will spend more then $11,000 in newspaper and outdoor advertising, as well as point of sale promotions.

➤ **How well the farm group is succeeding is illustrated by the continued sales position of Purina, even though it sells for a slightly higher price than competitive products.** The pleasure of the client is expressed by Malin, who states: "By having an advertising man in the field in each area, we are now able to make our company's advertising better fit the agriculture of that area. . . . Purina dealers are running better-planned, more consistent, more localized advertising campaigns than ever before." ■



egional AE Smith (left) with a ırmer: valuable market advice

Trends & comment

• Capper Publications has a new report covering "what has happened to the farm automotive and petroleum markets since the last Census of Agriculture was taken in 1950." Capper's figures show this: motor truck ownership has increased by 491,861 units for a 22.3% increase; tractors have increased by 1,076,992 units for a 29.8% increase; automotive units have increased by 1,620,584 for a 16.2% increase; expenditures for gasoline and other petroleum fuel & oil products has increased in dollar volume by $231,-137,776 for a 20.4% increase.

Annually, adds Capper, U.S. farmers invest over $1.5 billion in tractors, machinery and farm equipment, nearly $1 billion in automobiles and trucks, plus another $2.5 billion for operation and maintenance of this equipment.

Capper's figures are projected from a survey of subscribers taken in May of last year.

• **Farm & Ranch has a new survey of its subscribers covering brand preferences among household products.** One trend the survey points up: use of new products is growing among farm families. In a year, use of aluminum foil, for instance, is up from 46.8% to 52.9% of families.

Fifty-Third in a Series



C. King Woodbridge
Chairman of the Board
Dictaphone Corp.

LIKE MOST "Newsworthy" BUSINESS EXECUTIVES MR. WOODBRIDGE'S LATEST BUSINESS PORTRAIT IS BY

Jean Raeburn

Photographers to the Business Executive
565 Fifth Avenue, New York 17—PL 3-1882

Who buys the most single copies of magazines—men or women?

If you watch a corner newsstand, you'll see more men than women buying magazines. But let's look a little further.

Check the news section of the average drugstore and you'll find the proportion is pretty even. And in the magazine sections of supermarkets you'll notice that there are far more women than men. The more you look into it, the more you see that single-copy sales are a fifty-fifty proposition.

(This is particularly true of The Saturday Evening Post. It is bought by both men and women—and read by both equally. 49.5% of the Post's readers are men, 50.5% women.)

Advertising men watch single-copy sales because no other yardstick so accurately measures the public appetite for one magazine as compared with another. When this is applied to the general-weekly field, you'll notice that the Post has a lead of more than 50%! The Post gets to the heart of America.



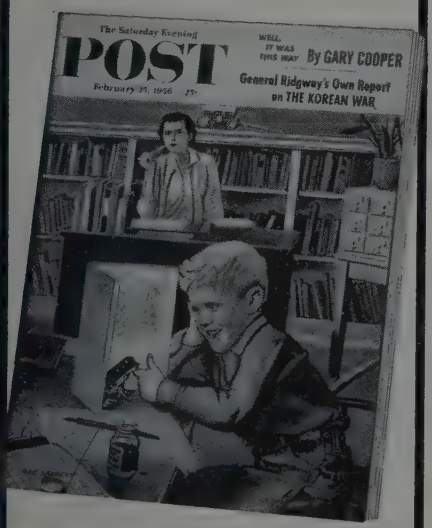
America reads the Post



"If they ever catch a whale on a fly rod—this is the guy who will do it!"

JOHN M. McEVOY, *V. P. and Account Executive, Buchanan & Co., Inc., N.Y., previews "Uncanny Angler of the Keys" by George X. Sand from this week's Post.*

"They laughed when Jerry Coughlan showed up in Florida with a dinky fresh-water outfit . . . but when he started to fish! He's landed tarpon over 160 pounds with this feather-weight rig and bested deep-water men who use 'hausers and telegraph poles.' It's Jerry's idea of the perfect vacation, but it sounds to me like hunting elephants with a flyswatter!"

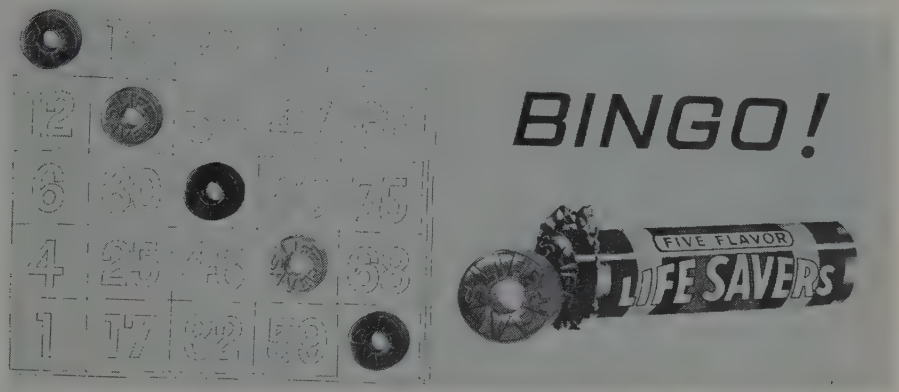


In all, 9 articles, 4 short stories, 2 serials and many special features in the Feb. 25 issue of The Saturday Evening Post.

OUTDOOR

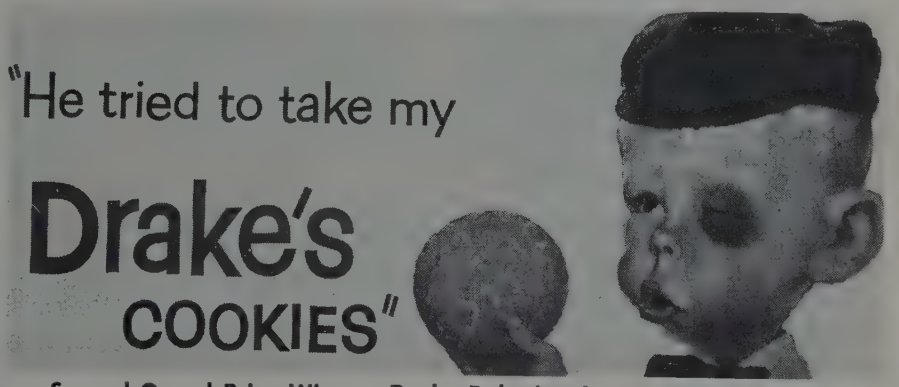
1955's best outdoor posters

Early this month, the Chicago Art Directors Club held its 24th annual National Competition of Outdoor Advertising Art. The Life Savers poster below won the first grand prize out of nearly 1,000 entries, compared with 704 last year. The club also cited winners in 16 other classifications, chose 1955's top 100 posters. For the first time, several of the country's leading art museum directors were on the judging panel.



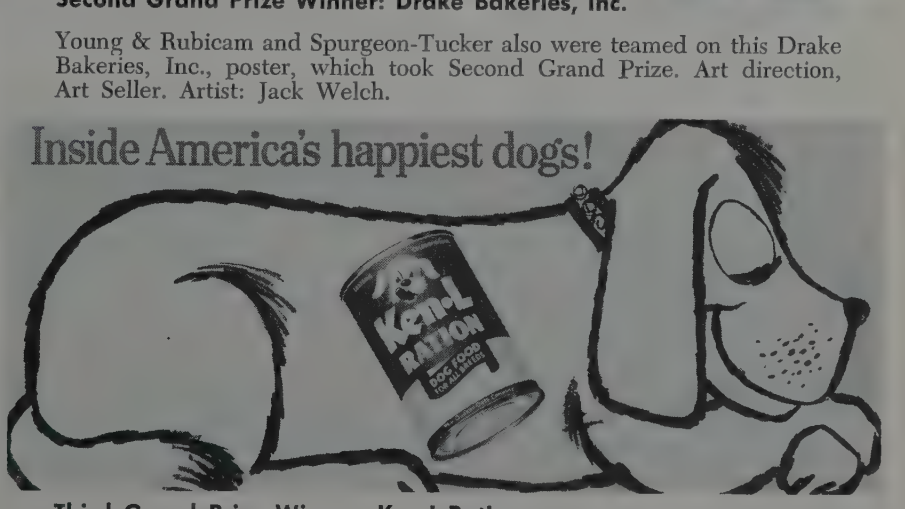
First Grand Prize Winner: Life Savers

Ken Thompson and Morris Glickman of Young & Rubicam drew this First Grand Prize Winner, which won a gold medal for Life Savers. Harlow Rockwell handled art direction and Spurgeon-Tucker, Inc., did the lithography.



Second Grand Prize Winner: Drake Bakeries, Inc.

Young & Rubicam and Spurgeon-Tucker also were teamed on this Drake Bakeries, Inc., poster, which took Second Grand Prize. Art direction, Art Seller. Artist: Jack Welch.



Third Grand Prize Winner: Ken-L-Ration

This ad, handled by Needham, Louis and Brorby for Quaker Oats' Ken-L-Ration, took Third Grand Prize. Drawing was by Bundy Freiday studios, art direction by Bob Skinder, lithography by Edwards & Deutsch.



*available on request from the

Minneapolis Star and Tribune

EVENING MORNING AND SUNDAY

495,000 DAILY

625,000 SUNDAY

In Minnesota, North and South Dakota, western Wisconsin

Ad leaders are readers—
of Tide, of course!

The ONLY Clipping Bureau reading over 3,000 trade and class publications, as well as every English language daily and 80% of the weekly field.

LUCE PRESS CLIPPING BUREAU

157 Chambers St., NYC 7—BArclay 7-2096
104 W. Linwood Blvd. Kansas City, Mo.
715 Harrison Street Topeka, Kansas
Write or Phone for Details

Radio stations miss a bet

Just recently we returned from a 3,000-mile automobile trip. Being inveterate radio listeners we had the set on for almost the entire trip.

As we passed beyond the broadcasting range of one station, we'd begin twisting the dial in a hunt for another station. Sometimes, especially then, we'd turn off the set rather than spend the time to find another station.

Why, we wondered, are local radio stations passing up a fine opportunity to increase their listening audience? If a station posted an outdoor sign on every main road leading into its broadcasting area, many more of the thousands of tourists on the highways today would tune it in.

In the 3,000 miles we covered we saw only two such signs for local stations, and we immediately tuned to each. In one case, we stopped at a restaurant advertised over the station and mentioned to the proprietor that we'd heard his commercial. Ever since those signs went up, said the proprietor his commercials seemed to draw more tourists to his restaurant.

For a modest investment in outdoor posters, it seems to us, radio stations could bolster their traveling audience and their business as well.

A direct mail confession

When it arrived in the office, it looked for all the world like a direct mail piece for Ivory Soap. In fact, the small hotel-size cake of Ivory on the front and the words, "ah, so pure" had us convinced that P&G was trying something really different without crediting friederich von flatow.

We couldn't have been more wrong. The culprit was Business Week magazine, not P&G, and the crime was a delightful and intriguing little folder about Business Week's circulation.

Sometimes, the folder confessed, somebody's undesirable relative does sneak in. Admittedly, one copy of Business Week does show up in the headquarters barber shop of Ford Motor Co. "(but, after all, some of the snippings that fall into its pages are from the heads of industry, yes?)." Business Week goes on to admit, tongue in cheek, that an occasional copy falls into the eager hands of little boys selling lemonade; too, somehow an industrious Manhattan newsstand dealer was smuggling 10 hot copies of the magazine onto his racks.

"However," concludes the readable piece, "we try very hard to be pure." Then after a brief and palatable pitch about the quality of Business Week's circulation, the magazine concludes with "any purer, we'd float."

A charming folder, this, and a basic lesson in selling for promotion managers in any publication field.

Wrong way to fight back

A friend of ours in Washington (D. C.) passed along to us a story of an experience she had shopping. It seems indicative enough to report it.

Our friend has always been wary of discount houses and claims that she'd avoided them because of a few unfortunate experiences with shoddy merchandise and no-return policies of some discounters.

But on her most recent shopping trip to her favorite store, she bought a small appliance which, when she got it home, she found didn't work. Back she went to the store where, she discovered, the appliance department had been shunted from the main floor of its housewares building to a secluded area ruled over, as she put it, "by a couple of tired old ladies."

After waiting for more than a reasonable time, she finally got the attention of one of the saleswomen, made her complaint, and found to her surprise that the store's former policy of courtesy had evidently been scrapped. She got an argument. She was then told abruptly to take her appliance to another floor where, at the designated



Caption—J. GOW

"Don't get upset. Your pin's here some place. I use it to puncture my cigars."

window, she waited again for more than a reasonable time. When no one showed up to hear her complaint, she finally dug up a salesgirl who agreed to ship the item back to the factory but refused to include any instructions as to the trouble.

If department stores are to compete with discount houses as to price our friend says, that's one thing; but customers should be told that they'll get none of the former service they have been led to expect. To us it seems that department stores are already losing enough business to discounters; we don't see how they can afford to drive more of it away with tactics like these.

A banker looks at PR

Most banks are comparatively similar today. Most of them offer the same services, interest rates don't vary much from bank to bank, and there are few distinct advantages (other than convenient location) that one bank can offer over another.

There is one major exception to this, and a prominent banker pointed it out recently: Ben H. Wooten, president of the First National Bank in Dallas, told a group of Pennsylvania bankers that public relations offers them their biggest opportunity for gaining an advantage over competitors.

Good PR, said Wooten, can only flourish in a climate of efficient operation. "There can be no good public relations in an ungrateful, unappreciative, unfriendly climate, and the importance of a friendly, helpful climate should be drilled into the thinking of everyone in the bank."

Dangerous PR ground

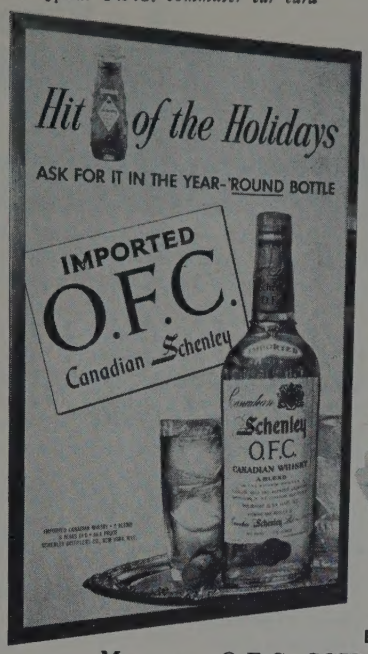
We don't know this to be a fact, but we have been told by usually reliable sources that Packard, in its prestige leadership days, used to offer fantastic discounts to doctors. The reasoning, and it seemed to work, was that some of the doctors' prestige would rub off.

Now, evidently, another auto maker is trying—a bit more subtly—to achieve the same thing with the press. Nash Motors Division of American Motors Corp. has invited, by personal letter, representatives of the press to "test drive" a 1956 Nash. The invitation is described as "purely a public relations effort" with "no attempt made to sell you a car." But if you show an interest in buying a Nash, the letter continues, you'll get "a special consideration from a price standpoint."

This may be smart PR and it may not.

The Editors

a Typical O.F.C. commuter car card





ED HAMBURGER, *Brand Advertising Manager, O.F.C.,SCHENLEY DISTILLERS CO., says:* "Many retailers told us that they attributed the sell-out of O.F.C. Holiday Decanters to end card advertising in commuter trains. In both New York and Boston commuter trains, our end cards continue to be a powerful influence in the sale of O.F.C. in the year 'round bottle."

TDI TRANSPORTATION DISPLAYS, INC.
GRAND CENTRAL TERMINAL BLDG. • NEW YORK 17 • MU 6-3456
STATION POSTERS & DIORAMAS • CAR CARDS • TIMETABLES

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PEPSI-COLA CO., sales promotion campaigns.
TENCO, INC., roasters of instant coffee.
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MUrray Hill 7-4980

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LETTERS

Bongo bandwagon

Sirs:

I have just finished reading with interest, your article entitled "To Washington on a bongo board" in the January 28 issue.

I sincerely believe that you have covered, in an excellent manner, what many may consider a rather touchy subject in a most enlightening manner. Having been an RCA-NBC booster since way back, I would be one of the first to jump on the Pat Weaver bandwagon for v.p.

I always enjoy your magazine and the fine manner in which you keep always up-to-date in the advertising and sales promotion field.

Robert L. Carroll

Forse Equipment Corp.
Anderson, Ind.

Dichter defended

Sirs:

In Ebb and Flow of your December 3 issue you take Mr. Ernest Dichter to task for relying on too small a sample in his study, "The Third Dimension." The statistical question involved is not as unequivocal as it may seem.

A sample of 500 is very likely more than adequate under practically any conditions which an advertiser, using such data as Mr. Dichter's as the basis of decision, would ever encounter. Of course, the necessary minimum sample size depends upon a number of factors: the dispersion in the population, the desired degree of confidence in the conclusions, the amount of money available to cover the cost of the survey, and the cost of obtaining information from each unit of the sample.

The smallness of his sample per city is only of critical importance when there is a large expected intercity variation, i.e., each city is a population of distinctly different characteristics. In his study such a difference is probably not great. Thus, the conclusion can be made, not only about Mr. Dichter's study but also about many other studies that rely upon "large samples," that perhaps a sample size of fifty to 100 would be very adequate.

An interesting question to raise about the study is, of course, how reliable "depth interviews" are as a source of information. Not knowing the exact type of test procedure Mr. Dichter used (although he must have used some projective technique —true psychoanalytic methods would have been prohibitively expensive), it is impossible to make any judgment beyond the observations that very few projective techniques have been validated experimentally, and that such variables as friendliness, warmth and kindness are near impossible to define operationally, i.e., with a meaning that the interviewer does not tend to "read into" the statements of the subject. Consequently, Mr. Dichter's study is certainly something to be accepted



Caption—R. WATERS

"Don't change one single thing!!!

only with reservations, but not for any statistical matters but because of other factors—the objectivity of the experimental procedures.

Paul M. Carrick, Jr.
San Diego, Calif.

Information, please

Sirs:

We are preparing a booklet for retailers emphasizing the intelligent, continuous use of classified advertising.

We are seeking some examples of retail businesses which have run classifieds—perhaps in a jocular vein—which stimulated their sales.

We wonder if your readers know of any such stories or case histories which might help us?

H. K. Simon
H. K. Simon Advertising
Pelham, N. Y.

Who can help?—Ed.

Corbit to Colbert

Sirs:

I should like to compliment you on the article which appears in your issue of January 28 reflecting a very complete survey on decanters and fancy packaging of liquor products. I am quite pleased about the nice things you had to say regarding "Walker Luxury Wrap."

Joe Wright further draws my attention to the interesting subjects discussed in your editorial columns and especially your selection of L. L. "Tex" Colbert as "Marketing Man of the Year." His was the most deserving choice.

Ross Corbit
President
Hiram Walker Inc.
Detroit

Stoppers

- Buying in Brussels? Selling in Stuttgart?
  —FIRST NATIONAL OF CHICAGO
- The shot that will be seen around the world.
  —MARTIN
- How Peter Pan flew to Paris
  —PAN AMERICAN
- Aladdin never had it so good
  —CUNARD
- Do you **really** know how old you are?
  —METROPOLITAN LIFE
- Meet the favorite Hill-Billy of all time
  —FORTE CASHMERE
- Don't give up the zip!
  —CONMAR PRODUCTS
- Are your dollars working as hard as you are?
  —KIDDER, PEABODY
- Coast to coast and back— in 486 minutes!
  —BOEING

Address box numbers to:

Tide executive exchange

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CLASSIFIED RATES—85c per line for Positions Wanted. $1.15 per line for Help Wanted and other classifications. Minimum 5 lines.
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For new fishing monthly, published by recognized Mass Circulation experts. 50,000 by mail in 6th edition now, and growing fast. Attractive commission space sales territory available. Prefer representatives selling non-competitive magazines. Write J. M., Allsport Publ. Co., Inc., Mezz Four, America's Building Radio City N.Y. 20, N.Y.

ADVERTISING ACCOUNT EXECUTIVE

Must have agency experience in account executive capacity. Must be qualified to give leadership on $200,000-$500,000 budget. You are not likely to have the experience we require if you are under 30. The man we seek is not likely to be seeking a change if he is over 45.

We will back you up with strong operating departments. We will pay good salary for experience and ability we need. We also offer year-end profit sharing, retirement plan, stock ownership. We are prepared to prove we offer opportunity and security.

Write: Executive Vice-President, VanSant, Dugdale, 15 East Fayette St., Baltimore 2, Md.

PROOFREADER, MALE, FULL-TIME wanted. Prefer one with grocery trade journal experience. Midtown New York City location. Box T-529.

BUSINESS SERVICE

ATTENTION . . . AGENCY PRINCIPALS

➤**FIRST,** extricate yourself and your creative people from the administrative and financial management of your business so that you can devote your time and skill to creative planning, direction and new business, and,

➤**SECOND,** reap the benefits from the application of financial techniques and skills developed in other fields to the agency business. A trained and skilled financial man . . . experienced in producing a maximum profit after taxes . . . has disposed of his manufacturing interests with the view of applying corporate financial skills to the agency field to maximize profits and individual retention after taxes.

➤**GRADUATE OF YALE COLLEGE,** Yale Law School and Harvard Graduate School of Business Administration. Age . . . thirty eight. Concerned with the type of agency, personnel, future possibilities rather than immediate income. Obviously, agency must be of sufficient size to benefit from the application of specialized financial and administrative services. Adequate capital available for the purchase of a retiring partner's interest or the addition of new money to a suitable agency. **Box No. T-527.**

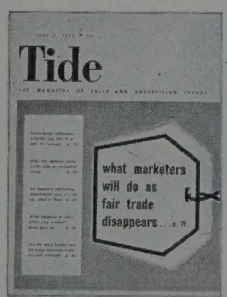
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San Francisco agencymen established 10 yrs. with excellent reputation. $250,000 billing in food, auto, construction. Will service your Western accounts (S.F. or L.A.) or consider merger. Staff of 3—need more billing to grow. Financially sound. Box T-528.

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☐ Three Years....$13.00

901

Company

Type of Business

Name

Title or Position ☐ Home ☐ Business

Address

City, Zone, State

☐ Payment enclosed. ☐ Bill me, personally. ☐ Bill company.

Beauty's only skin deep, but that's deep enough

An employment placement bureau is not always the easiest business to run, as New York's All-American Employment Service can testify.

Some months ago the agency placed a little girl (at a modest salary) as combination receptionist and clerk of a well-known publishing company. The girl was hired, but the publishers felt her appearance could use a little improvement. So they sent her, at company expense, to one of the swank upper Fifth Avenue beauty salons for a complete beautification treatment.

Came the next morning when the young lady was scheduled to report for work, and the publishing company got a telephone call from her instead. Seems she had decided not to take the job after all—not glamorous enough!

Letters to the Editor Dept., Obituaries Division

The following letter, reprinted in its entirety, was allegedly received by the editor of Arizona Progress, the monthly publication of the Valley National Bank. We report it solely in the best interests of our readers.

"Dear Friend:

"We have established a new service for our clients which is both unique and helpful. We now write obituaries for a flat fee of $100 each and cordially solicit your business. Please call us at your earliest convenience and arrange for a sitting while you are still able to sit.

"You may feel that, since you are still breathing, the preparation of an obituary is perhaps premature and may not encompass all of your achievements in life. Knowing you as we do, however, we doubt that you will accomplish anything more worth mentioning.

"Obituaries are based largely on your appraisal of yourself, but we are expert lily gilders and guarantee a job that will make both your spirit and the loved ones you leave behind feel good about the whole thing. Although you may not have contributed anything worthwhile to your fellow men in this vale of economic tears, our innuendos in that direction are quite convincing—alone worth the modest charge.

"Some of our clients have been so stimulated by the fine things we have said that they appear likely to live forever. This is unfortunate because it is alienating our mortician friends, but we are working on a method to correct this situation. Another advantage of our service is that no matter what a mess you make of your life, not a hint of this will appear in your obituary. We do not hold with Mark Anthony that the evil men do must necessarily live behind them.

"When your obituary is completed, it is attractively sealed and be-ribboned and stored away carefully in a safe deposit box with your government bonds and old love letters. Upon the happy occasion of your departure it may be opened by your widow or authorized successor.

"Please act promptly, as we have a long waiting list and it's later than you think. Remember our slogan: 'The Life You Lead May Be Your Own, But We Provide The Happy Ending.'

"Faithfully, hopefully and charitably yours, POX VOBISCUM SERVICE CO., INC."



Caption—W. MACKEY

"Would you like Jimson to dash off a half dozen layouts while you wait?"

Persistence, just like advertising, pays

An agencyman around town is spreading the word that on his recent trip to England, he stayed at the Claridge Hotel—"where the royalty and the celebrities stay." It's true, but there's a story behind it.

Our agency friend (who, like many others, was in Britain to sell the British on television research) tried his best to make a reservation at the Claridge when he first arrived in London. Unfortunately, the hotel was full, so he settled for a lesser hotel.

Each day he was there, he tried in vain to transfer to the Claridge. Finally, as he was about to check out, he decided that leaving London without having stayed at the Claridge was like walking down Madison Avenue without a charcoal grey suit. He concluded the situation called for drastic action.

Leaving the hotel, our agencyman climbed into a taxi. After only a mile or so, he clapped his hand to his forehead and said, "I feel sick. Take me to the Claridge. They must have a room for an hour or so."

The poor man's persistence was rewarded. The Claridge let him use a room for an hour, and he sailed from England happy with the knowledge that he could claim, legitimately, he'd stayed—with all the royalty—at the Claridge.

Flotsom & Jetsam

• **In Los Angeles,** a linoleum dealer known as "Linoleum Louie" promises (via newspaper ads) that "I'll Floor You!"